

Montana State Legislature

2013 Session

ADDITIONAL DOCUMENTS MAY INCLUDE THE FOLLOWING:

- **Business Report**
- **Roll Call – Attendance**
- **Standing Committee Reports**
- **Tabled Bills**
- **Fiscal Reports etc.**
- **Roll Call Votes**
- **Informational Items**
- **Witness Statements**
- **Any Documents; such as;**
 - ***Petitions if any.**
 - ***Any and all material handed end after the meeting ends.**

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BUSINESS REPORT

**MONTANA HOUSE OF REPRESENTATIVES
63rd LEGISLATURE - REGULAR SESSION**

HOUSE JOINT APPROPRIATIONS SUBCOMMITTEE ON LONG-RANGE PLANNING


Date: Wednesday, February 20, 2013
Place: Capitol

Time: 8:00 AM
Room: 317 A & B

BILLS and RESOLUTIONS HEARD:

EXECUTIVE ACTION TAKEN: HB 10

Comments:



REP. Rob Cook, Chair

HOUSE OF REPRESENTATIVES
Roll Call
LONG-RANGE PLANNING JOINT SUBCOMMITTEE

DATE: Feb. 20, 2013

<u>NAME</u>	<u>PRESENT</u>	<u>ABSENT/ EXCUSED</u>
SEN. DAVE LEWIS, VICE CHAIR	✓	
REP. CARL GLIMM	✓	
REP. BILL MCCHESENEY	✓	
SEN. RICK RIPLEY	✓	
SEN. JON SESSO	✓	
REP. ROB COOK, CHAIR	✓	

AUTHORIZED COMMITTEE PROXY

Joint Appropriations Subcommittee

I request to be excused from the *Long-Range Planning*

Committee because of other commitments. I desire to leave my proxy vote with:

Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

BILL/AMENDMENT	AYE	NO
<i>H B 10, Amendment 1</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>H B 10, Amendment 2</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>H B 10, As Amended</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

BILL/AMENDMENT	AYE	NO

Rep. *Brian McClesney*
(Signature)

Date *Feb. 20, 2013*

MONTANA House of Representatives Visitors Register

Wednesday, February 20, 2013

Executive Action: HB 10

PLEASE PRINT

[illegible]

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

MONTANA House of Representatives Visitors Register

Executive Action: HB 10

PLEASE PRINT

[illegible]

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

DATE Feb. 20, 2013
HB 5, 6, 7, 8, 9, 10, 11, 15 & 267

LONG-RANGE

**ADDITIONAL
DOCUMENTS**

Section F

JOINT SUBCOMMITTEE OF HOUSE APPROPRIATIONS AND SENATE FINANCE AND CLAIMS COMMITTEES

-----Programs-----

Long-Range Building Program	Renewable Resource Grant & Loan Program
State Building Energy Conservation	Reclamation & Development Grant Program
Long-Range Information Technology Program	Cultural and Aesthetic Grant Program
Treasure State Endowment Program	Quality School Facilities Program
Treasure State Endowment Regional Water System Program	

-----Committee Members-----

House

Representative Rob Cook (Chair)
Representative Carl Glimm
Representative Bill McChesney

Senate

Senator Dave Lewis (Vice-Chair)
Senator Rick Ripley
Senator Jon Sesso

-----Fiscal Division Staff-----

Cathy Duncan

LONG-RANGE PLANNING PROGRAMS OVERVIEW

Long-Range Planning Description

Long-Range Planning (LRP) programs are devoted to the creation and upkeep of major state infrastructure. That said, LRP programs do not include the state roads and highway construction and maintenance programs, which are included in HB 2. Most of the projects that come through the LRP programs require more than one biennium to complete and bear significant costs. As such, the legislature chose to move projects out of the individual agency budgets and analyze and fund the programs as separate budgetary components. The LRP budget analysis typically focuses on nine programs, which include:

- Long-Range Building Program (LRBP) – acquisition, construction, and major maintenance of state owned lands and buildings, administered by Department of Administration
- State Building Energy Conservation Program (SBECP) – energy efficiency improvements to state owned buildings, administered by Department of Environmental Quality
- Long-Range Information Technology Program (LRITP) – major information technology build and upgrade, administered by Department of Administration
- Treasure State Endowment Program (TSEP) – water, wastewater, and bridge infrastructure grants to local governments, administered by the Department of Commerce
- Treasure State Endowment Regional Water Program (TSEPRW) – matching funds for major regional water projects, administered by the Department of Natural Resources and Conservation
- Renewable Resource Grant and Loan Program (RRGL) – water conservation grants and loans to local governments, administered by the Department of Natural Resources and Conservation
- Reclamation and Development Grant Program (RDGP) – grants for the reclamation of lands degraded by mineral exploration and mining activities, administered by the Department of Natural Resources and Conservation
- Cultural and Aesthetic Grant Program (C&A) – arts and historical grants, administered by the Montana Arts Council
- Quality School Facility Grants Program (Quality Schools) – grants for major maintenance of K-12 school facilities, administered by the Department of Commerce

Long-Range Planning projects are administered by various state agencies, but the provision of services is similar in each of the programs:

- Project requests are received by the program either from state agencies, local governments, or private entities
- Project requests are reviewed by the particular agency, board, or council and ranked, or prioritized, based on program specifications
- The Governor reviews the list of requests, determines the level of funding available for projects, and presents a list of funded project recommendations to the legislature in the form of a separate funding bill
- If the legislature agrees to appropriate funds and authorize the various projects, money is distributed to private contractors, generally through a competitive bid process

The legislature's work with the LRP budget differs in several ways from the work of other joint subcommittees.

- 1) One important difference is that the LRP programs do not have a "base" budget. In LRP budget negotiations, the legislature does not consider matters of fixed costs, FTE and pay plan issues, or changes from the base. Instead, the legislature may discuss the space and IT needs of agencies or the needs of local governments and individuals as they relate to the particular program.
- 2) Unlike most of the agency budgets, the LRP programs might be thought of as one-time only appropriations. When funding is requested for any specific project, the funding needs do not continue in the same way that agency programs continue. For state agency projects, there may be increased need for operations and maintenance dollars in the future, but the project itself is finished. In the case of the various LRP grant programs, there is no need for future state support at all.
- 3) Finally, the LRP budget is presented to the subcommittee as a set of project recommendations. While the agency (HB 2) budget subcommittees work with the base budget and feature decision packages (DP's) for the legislature, the LRP budget does not have DP's. In fact, the entire budget is essentially a set of DP's for project spending.

LONG-RANGE PLANNING PROGRAMS OVERVIEW

Long-Range Planning Budget Comparison

The following table summarizes the proposed executive budget for the program by biennium, type of expenditure, and source of funding.

Long-Range Planning Budget Comparison (millions)				
Budget Item ¹	Budget FY 12-13	Budget FY 14-15	Biennium Change	Biennium % Change
	<u>Appropriated</u>	<u>Proposed</u>		
Long-Range Building Program (LRBP)	\$82.3	\$268.9	\$186.6	226.6%
State Building Energy Conservation Program (SBECP)	0.0	3.5	3.5	-
Long-Range Information Technology Program (LRITP)	0.0	20.2	20.2	-
Treasure State Endowment Program (TSEP)	14.8	19.3	4.6	31.1%
Treasure State Regional Water Program (TSEPRW)	3.9	8.9	5.0	128.2%
Renewable Resource Grant and Loan Program (RRGL)	21.4	16.2	(5.3)	-24.5%
Reclamation and Development Grant Program (RDGP)	7.1	6.2	(0.8)	-11.9%
Cultural and Aesthetic Grant Program (C&A)	0.7	0.6	(0.1)	-19.0%
Quality Schools Grant Program (QSFP)	12.1	12.3	0.2	1.7%
Total Costs	\$142.3	\$356.1	\$213.9	150.4%
Capital Projects Fund (Capital)	\$2.7	\$23.4	\$20.8	777.4%
General Fund (GF) ²	0.0	27.1	27.1	-
State Special (SS)	85.4	88.4	2.9	3.4%
Federal Special (FS)	25.8	26.2	0.3	1.3%
Bonds and Loans (Bonds)	13.7	105.3	91.6	667.5%
Proprietary Fund (Prop)	0.3	1.0	0.7	280.0%
Authorization (Author)	14.3	84.8	70.5	491.6%
Total Funds	\$142.3	\$356.1	\$213.875	150.4%

¹Revised for 1/7/2013 Governor's changes

²General Funds are transfers to the Long-Range Capital Project Funds

Long-Range Planning Discussion

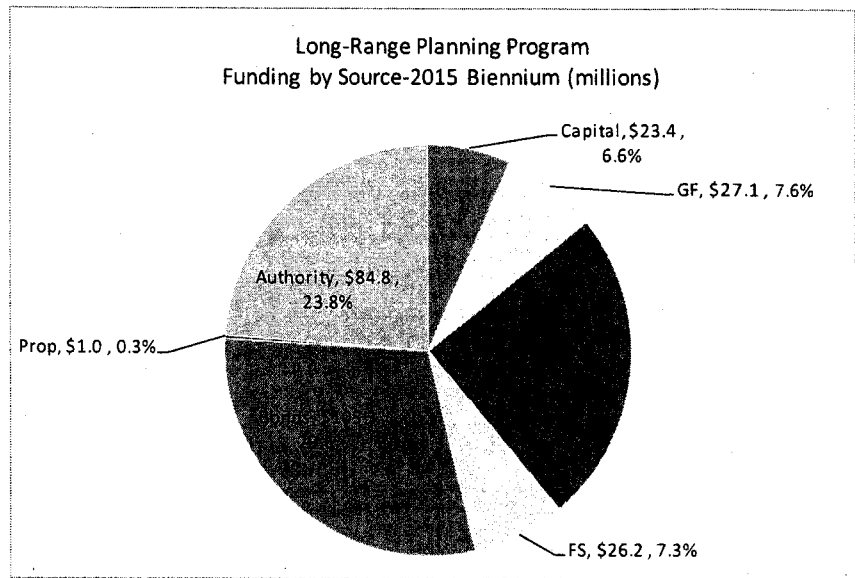
The executive proposes total Long-Range Planning (LRP) budgets of \$356.1 million, as shown in the figure above. This is \$213.9 million more than the LRP budgets in the 2013 biennium. The significant change is related to unusual budget occurrences in each of the biennia compared. In the 2013 biennium, state budgets were tightened up with the economic impacts of the "great recession". Long-Range Planning budgets were significantly reduced with two programs managing without new appropriations for the biennium and other programs transferring portions of their normal funding streams to the general fund. In the 2015 biennium, funds are not as restricted and the executive budget proposes a bonded state building construction program for the first time since the 2001 legislative session. The highest level of appropriations are proposed for the LRBP, which also makes up the largest component of the biennial change. The change is primarily related to the bonding program and the two new buildings proposed in the LRBP cash program. In the 2015 biennium, the largest source of program funding would come from general obligation bond proceeds in the LRBP and the RRGL. General fund is not expended through LRP programs, but is included in the table above as transfers that are proposed in the LRBP and the LRITP.

Funding

In large part, LRP programs are fully financed with statutorily dedicated allocations of funds. Generally the program/project budget is strictly based on the amount of revenue estimated to be available for the program. The revenues come from a variety of sources including various tax allocations and in several cases interest earnings from dedicated trusts. The only exception from program dedicated revenue is seen in the LRITP, which does not have a funding source dedicated to the program and relies on general fund transfers and agency funds to support the cost of the program.

LONG-RANGE PLANNING PROGRAMS OVERVIEW

The figure to the right shows the funding of the LRP budget for the 2015 biennium. Generally, the LRP budgets are funded primarily from state special revenue funds, but in the 2015 biennium bond proceeds are the primary source of funding, followed by authority, and state special revenue. Authorizations, 23.8% of total funding, are not appropriations and exist in the LRBP because legislative approval is required to expend donations (and other types of funds that do not require appropriation) on major building projects with costs in excess of \$150,000. More detail on the funding and appropriations of the LRP programs is found in the program sections of this report.



LONG-RANGE BUILDING PROGRAM

Program Description

In 1963, the legislature enacted the Long-Range Building Program (LRBP) to provide funding for construction, alteration, repair, and maintenance of state-owned buildings and grounds. The program, as established in Title 17, Chapter 7, part 2, MCA, was developed in order to present a single, comprehensive, and prioritized plan for allocating state resources for the purpose of capital construction and repair of state-owned facilities. The program is administered by the Architecture and Engineering Division (A&E) of the Department of Administration. Historically, the LRBP has been funded with a combination of cash accounts and bonding. The various types of cash accounts include state and federal special revenue funds, other funds (such as university and private funds), and LRBP capital project funds.

Program Budget Comparison

The following table summarizes the proposed executive budget for the program by biennium, type of expenditure, and source of funding.

Program Comparison - Long-Range Building Program ³				
Budget Item	Budget 2013 Biennium	Budget 2015 Biennium	Biennium Change	Biennium % Change
	<u>Appropriated</u>	<u>Proposed</u>		
LRBP Project Costs	\$82,333,830	\$268,916,000	\$186,582,170	226.62%
SBECP Project Costs	0	3,500,000	\$3,500,000	-
Total Costs	\$82,333,830	\$272,416,000	\$190,082,170	230.87%
Capital Projects	\$2,670,000	\$17,426,000	\$14,756,000	552.66%
State Special	39,255,830	29,260,000	(9,995,830)	-25.46%
Federal Special	25,823,000	26,130,000	307,000	1.19%
Proprietary ¹	250,000	600,000	350,000	140.00%
Authorization ¹	14,335,000	84,800,000	70,465,000	491.56%
General Fund ²	0	16,300,000	16,300,000	-
Bond Issue/Loans	0	97,900,000	97,900,000	-
Total Funds	\$82,333,830	\$272,416,000	\$190,082,170	230.87%
¹ Does not Require Appropriation but Requires Approval of Legislature				
² Transfers to Capital Project Fund in 2015 biennium				
³ Revised for 1/7/2013 Governor's Changes				

Note: The projects and project appropriations of the LRBP cash program agree with changes made through the 1/7/2013 budget proposals and do not agree with HB 5 as introduced.

Program Discussion

As seen in the figure above, the executive proposes a total LRBP budget of \$272.4 million for the 2015 biennium. This is \$190.1 million greater than the LRBP budget in the 2013 biennium, when the program was constrained by reductions in then anticipated revenues. The figure above contains the executive proposals for the LRBP cash and bonded programs and the State Building Energy Conservation Program (SBECP), which will be presented in HB 5. The budget also includes the capital project budget for Fish, Wildlife, and Parks, who administer most the designated appropriations. The HB 5 budget would provide \$89.1 million in appropriations and \$11.6 million of authority¹ for 2 new buildings and 32 projects for major maintenance, renovations, energy conservation improvements, and land purchases. Also included in the figure above is the executive bonding proposal, which will be presented to the legislature in HB 14. The bonding proposal is notable for being the first executively introduced bond proposal for building construction since the 2001 biennium. The bonding proposal would provide appropriation authority for \$97.9 million of general obligation bond proceeds (payable through the general fund) and \$73.8 million of authority.

¹ The use of "authority" in the LRBP section is a reference to funds for major construction projects that do not require appropriation, but due to the sizable cost of the project and the potential of future costs to the state must be authorized by the legislature. These funds are typically not "state funds" and include donations and various types of university funds.

LONG-RANGE BUILDING PROGRAM

The HB 14 budget would provide for the construction of 5 new buildings, 1 addition project, and 5 significant major deferred maintenance projects. A complete list of the LRBP projects, that would be included in both HB 5 and HB 14, by fund type may be seen in Figure F.1 in the Section F appendix.

The HB 14 proposal funds projects with the proceeds of general obligation bonds. Consequently, the cost would be assumed by the general fund. According to the Office of Budget and Program Planning, the general fund costs are expected to be \$3.0 million in FY 2014 and \$5.9 million in FY 2015. These figures assume a 3.0% interest rate with a 20 year maturity on the bonds.

Calculations show that the annual debt service cost of the \$87.9 million of authority, given the mentioned assumptions, would be \$5.9 million. However, many of the projects are contingent upon fundraising of non-state funds and will need to raise significant amounts of money to begin construction, and it unlikely that the total amount of the authorized bonds could be issued in the 2015 biennium.

At this time, the Legislative Fiscal Division has not received sufficient information to provide a credible estimate of the future debt service costs for HB 14, but will continue work to get a sound estimate of the future debt service costs before the HB 14 hearings.

Note: HB 14 would establish state debt and as such must be authorized by a two-thirds vote of the members of each house of the legislature (Montana Constitution, Article VIII, Section 8).

LFD ISSUE

Potential for Project Delays

Most of the projects included in HB 14, the bond bill, require a match of other “non-state” funds. HB 14 is expected to contain the following language in the proposed section 7 of the bill, titled Capital projects – contingent funds:

“If a capital project is financed in whole or in part with appropriations contingent upon the receipt of other funding sources in [listed projects], the department of administration may not let the projects for bid until the agency has submitted a financial plan for approval by the director of the department. A financial plan may not be approved by the director if:

- (1) the level of funding provided under the financial plan deviates substantially from the funding level provided in [listed projects] for that project; or,*
- (2) the scope of the capital project is substantially altered or revised from the capital project presented to the 63rd legislature.”*

This language requires that a substantial portion of the project costs from non-state sources be obtained by or guaranteed to the agency prior to letting the project for bid. Furthermore, the agencies are not allowed to substantially change the scope of the project outlined in legislative hearings, making it difficult for the agencies to plan a phased project. As a result, this language may cause a substantial delay in construction of some of the projects. In the cases of the Heritage Center, the Missoula College of Technology, and the Northern Automotive Technology projects, non-state funds in the form of donations could be difficult to raise and could delay the project for an unknown period of time.

Some LRBP project highlights and legislative considerations include:

- New Low Side Units at Montana State Prison – This project, with a total cost of \$26.0 million, is proposed as the largest of the cash projects in the 2015 LRBP executive budget. The project would replace the low-security housing units “A”, “B”, and “C” with two new 320-bed units at Montana State Prison. The 640 beds provided by this project will result in increased capacity of approximately 120 beds

LONG-RANGE BUILDING PROGRAM

in order to meet the prison's current 10-year low-security occupancy projections. Upon completion, the existing low-security housing units will no longer be occupied or staffed.

- Montana Heritage Center – The project for the Montana Heritage Center encompasses both the construction of a new facility and upgrades to the existing building. The new structure would provide 45,330 square feet for new museum display space. The renovation of the existing facility would provide additional public accessibility and increase space for archival storage, office space, and workspace. The two units would be connected by an underground passage. The request for a new museum has been considered by the legislature for a number of years and past actions include:
 - 2005 Session – Legislature provided \$7.5 million in bond proceed appropriation and \$30.0 million in authority for the new museum (to the time of this writing, \$768,536 of the bond proceed appropriation has been expended on preliminary design and \$6,731,464 of the appropriation is still in existence)
 - 2009 Session – Legislature approved locating the museum at 6th Ave. and Roberts streets in Helena
 - Plans include using the remaining portion of the 2005 bond issue and appropriation, meaning there would be a total of \$29.7 million in bond authority along with \$35.5 million of authority to expend donations for the project
- Install Safety Handrails in the Capital – This project addresses a significant safety concern at the capitol building. The request would install a handrail down the center of the grand staircase in the capital. In the 2011 Legislative Session, a legislator fell down the staircase, suffering significant injuries. It is thought that the hand rails would reduce the potential for another fall and reduce state liability
- New Montana University System Buildings – The LRBP bond proposal includes 7 significant construction projects funded with a combination of \$64.9 million in bond proceeds and \$40.5 million in authority. As proposed, a couple of these projects raise concerns:
 - Missoula College of Technology, Missoula – This proposal would provide \$22.0 million of bond proceeds and \$25.0 million of authority for the construction of a new facility. This proposal has been discussed for a number of years, and in the 2007 session, the legislature provided \$500,000 to fund planning and design for the new facility. Because the colleges of technology typically do not receive donations for new buildings, like the universities, obtaining the donations for this project could delay the construction of the project.
 - Automotive Technology Center, MSU Northern – This proposal would provide \$2.9 million of bonds and \$5.0 million of authority for the major renovation of the existing Automotive Technology Center. These upgrades reduce the deferred maintenance backlog by making upgrades and improvements to the existing facility. In the 2007 Session, the legislature provided \$800,000 in LRBP capital project funds for planning and design purposes. The appropriation was reduced to \$190,000 in the 2011 session. Because Northern typically does not receive significant donations for new buildings; obtaining the donations for this project could delay the construction of the project.
- Jabs Hall, MSU-Bozeman – This project is included in HB 14, but does not propose the sale of bonds for construction, and instead only requests spending authority to use non-state funds. Contrasting the fundraising challenges mentioned in the preceding two projects, MSU-Bozeman has already received most of the funds for the requested authority. If HB 14 is not passed, MSU will lack legislative authority to construct this building.

LONG-RANGE BUILDING PROGRAM

LFD COMMENT

The LRBP is a program developed to provide the major maintenance of state owned buildings, and the Montana University System operates approximately 2/3rd of the state funded buildings. Typically, the University System maintenance requests are funded with LRBP capital project funds at a level close to that ratio. However, the 2015 executive budget proposal does not provide any LRBP capital project funds for maintenance at the University System in the cash program (HB 5) and includes only the authority to expend \$11.0 million in university funds for maintenance programs.

The University System does have a strong presence in the bonded program (HB 14) and many of the requests of the bond program do make reductions in the state's deferred maintenance backlog. However, because of the bond bill creates state debt and requires a two-thirds vote of each house, it will be harder to get the legislation passed. Should the bill be unsuccessful, the University System will have fewer funds available for major maintenance projects at campuses statewide.

Funding

As shown in the fund balance table to the right, the LRBP fund will start the 2015 biennium with a fund balance of \$815,287. Fund revenues include a 2.6% distribution of cigarette tax revenue, \$3.5 million in the biennium, and 12.0% distribution of coal severance tax revenue, \$14.2 million in the biennium. Other income includes interest earnings on LRBP fund balances and supervisory fees paid to the A&E. The fund will also receive a transfer of \$16.3 million from the general fund and bond proceeds of \$97.9 million, authorized in HB 14. Total revenue in the 2015 biennium is expected to be \$132.6 million.

The normal LRBP expenditures from the fund, amounting to \$8.0 million, include the administrative costs of the A&E Division and the debt service on two bond issues. Also seen in the expenditure section of the table is a debt service funding switch of \$665,000 per year from the LRBP fund to the general fund, which the 2001 Legislature authorized in HB 14 to reduce LRBP debt service costs related to the 1996D bond issue (refinanced with 2003G), the 1997B bond issue, and the 1999C (refinanced with 2005A) bond issues.

The fund will have an available balance of \$125.5 million for capital projects in the 2015 biennium. As shown, approximately \$128.1 million is recommended in the executive budget for the LRBP projects, leaving an estimated balance of a negative \$2.7 million at the end of the 2015 biennium. The estimated ending fund balance, as prepared by the LFD, is lower than that shown in Section F of the executive budget, primarily because of lower coal severance tax revenues estimates, as estimated by the Legislative Fiscal Division.

Long-Range Building Program Fund (05007)			
Fund Balance Projection 2015 Biennium (including the 1/7/2013 Governor's Amendments)			
Estimated Beginning Fund Balance-(7/1/2013)			\$815,287
			Biennium
Revenue Projections ¹	FY 2014	FY 2015	Total
Cigarette Tax	\$1,768,000	\$1,708,000	\$3,476,000
Coal Severance Tax	6,948,000	7,236,000	14,184,000
Interest Earnings	177,271	174,967	352,238
Supervisory Fees	155,681	155,681	311,362
Energy Savings Transfer	40,000	40,000	80,000
General Fund Transfer	16,300,000		16,300,000
Bond Proceeds	97,900,000		97,900,000
2015 Biennium Revenues			132,603,600
Expenditures			
Operating Costs-A & E Division	(\$1,850,988)	(\$1,849,966)	(\$3,700,954)
Debt Service-2003G ²	(1,695,725)	(1,697,101)	(3,392,826)
Debt Service-2005A ³	(1,092,327)	(1,098,076)	(2,190,403)
Funding Switch ⁴	665,000	665,000	1,330,000
Total Expenditures			(7,954,183)
Balance Available for Capital Projects			125,464,704
Executive Proposals LRBP ⁵			(128,126,000)
Balance			(\$2,661,296)

¹ SJ2

² Refinance of 1996D issue

³ Refinance portions of 1997B and 1999C issues

⁴ Debt Service Funding Switch, 2001 legislative session

⁵ Based on HB 2, HB 5, and HB 14 executive proposals

LONG-RANGE BUILDING PROGRAM

LFD ISSUE

FY 2015 Ending Fund Balance is Estimated to be Negative

The LRBP capital projects fund balance is estimated to be significantly negative at the end of the 2015 biennium. The shortfall can be attributed to differences in the LFD and OBPP revenue estimates for the coal severance tax and the cigarette tax.

The Montana Constitution, Article VIII, Section 9, requires:

"Appropriations by the legislature shall not exceed anticipated revenue."

As illustrated in the figure above, the proposed appropriations would exceed the anticipated revenues. Because of this requirement, the Long-Range Planning subcommittee may wish to consider taking actions to provide a positive balance in the LRBP capital projects fund. Options include:

- 1) Reducing project appropriations
- 2) Increasing the transfer of monies from the general fund

STATE-BUILDING ENERGY CONSERVATION PROGRAM

Program Description

The State Building Energy Conservation Program (SBECP), administered by the Department of Environmental Quality (DEQ), was established by the 1989 Legislature to reduce operating costs of state facilities by identifying and funding cost-effective energy efficiency improvement projects. Statutory authority is found in Title 90, Chapter 4, part 6, MCA. Energy efficiency improvements include projects such as:

- * Replacing old, inefficient boilers
- * Insulating buildings
- * Upgrading inefficient lighting
- * Providing more effective temperature controls
- * Increasing ventilation system efficiency
- * Upgrading water conservation systems

SBECP projects are designed so that energy savings exceed costs. The estimated savings of energy costs are used to reimburse the project costs and finance operational costs. In the past, projects were funded through a bonded program, and reimbursements in excess of the projected debt service were statutorily required to be transferred to the Long-Range Building Program (LRBP). Beginning in FY 2008, bond proceeds were no longer used to fund the program. The 2007 Legislature funded SBECP projects with an appropriation of general fund and the 2009 Legislature funded projects with appropriations of general fund and federal special funds. With those changes, the program was modified to treat the funds in a revolving fashion, and project reimbursements, plus the interest on the outstanding debt related to the project, are expected to support future projects and program administrative costs. Program recommendations encourage conservation measures which have a service life of at least 15 years. However, energy savings are expected to continue throughout the life of the improvement.

Projects come to the SBECP either directly because of the energy saving benefits or in conjunction with projects planned under the Long-Range Building Program. DEQ offers state agencies assistance in evaluating energy use and identifying energy conservation projects. Program engineers evaluate all projects proposed for the LRBP to assess the energy savings potential on proposed remodeling projects. Projects with the potential for energy savings are funded through the SBECP, and are often jointly funded with the LRBP deferred maintenance funds.

Program Discussion

The Sixty-Second Legislature did not provide any new appropriations for the SBECP for the 2013 biennium. As such, no program comparison is available. However, the executive recommendation for the Long-Range Building Program, as presented in HB 5, provides \$3.5 million in project appropriations for the program. A list of SBECP projects, cost, anticipated energy savings and years of expected repayments (which are adjusted to include administrative and loan costs) is available in the funding below.

State Building Energy Conservation Program Executive Recommendation - 2015 Biennium				
Department	Project Title	Estimated Funding	Annual Savings	Simple Payback/Yrs
Corrections	Pine Hills Youth Correctional Facility, Repair and upgrade building systems	\$500,000	\$50,000	13
Administration	Capitol Building, Repair and upgrade HVAC systems	500,000	53,000	12
Environmental Quality	State Wide Energy Improvements			
Corrections	Men's Prison Laundry Improvements	600,000	53,000	15
University System	Science Lab Improvements, Retro-commissioning, MSU Tietz Hall	1,000,000	88,000	15
	HVAC Upgrade			
Other State Agencies	Lighting upgrades, minor HVAC	900,000	80,000	15
Total Funding / Savings		\$3,500,000	\$324,000	

Funding

The SBECP has been fashioned to operate in a method similar to a "revolving loan program". Agencies reimburse the program for the energy conservation projects. In FY 2013 reimbursements are expected to generate approximately \$1.4 million, and the reimbursements are expected to remain at that annual level throughout the 2015 biennium. Consequently, some of the project costs in the 2015 biennium will be funded with the program's fund balance.

LONG-RANGE INFORMATION TECHNOLOGY PROGRAM

Program Description

The Long-Range Information Technology Program (LRITP) is a program developed to fund large information technology (IT) projects. The LRITP consolidates large IT investments in one appropriation bill and defines major IT enterprises as capital projects. All projects included in the LRITP bill are overseen by the state chief information officer (CIO) within the Department of Administration (DOA).

The consolidation of major IT projects is intended to achieve several goals. First, IT projects are complex and require significant and time intensive planning, design, and management efforts, and by designating the projects as "capital projects", the appropriation continues until completion of the project, as statutorily authorized in 2-17-560, MCA. Second, centralized project oversight is intended to enhance project management and foster stronger partnerships between agencies and the state CIO. Finally, having all the major projects in one piece of legislation facilitates a broad vision of the state IT program and related investments.

Program Narrative

No budget comparison is presented for the LRITP since no projects were authorized in the 2013 biennium. Total IT project costs in the 2015 biennium are proposed to be \$20.2 million and will come to the legislature in HB 10. The proposal includes a transfer of \$10.8 million from the general fund to the LRITP fund to support major IT projects. The 2015 biennium proposal, listed by project and funding type, is presented in the figure below.

Long-Range Information Technology Program (LRITP)					
Executive Recommendation - 2015 Biennium (including the 1/7/2013 Governor's Amendments)					
Agency / Project	LRITP Capital Projects Funds	State Special	Federal Special	Proprietary	Total
Administration					
DOA Public Safety Communications System	\$3,000,000				\$3,000,000
Computerized Maintenance Management System				350,000	350,000
Enhance Data Security (requested amendment)	2,000,000				2,000,000
Commissioner of Political Practices					
Campaign Reporting Service Database Rewrite	502,400				502,400
Environmental Quality					
Remediation Information Management System	700,000	1,060,000	40,000		1,800,000
Transportation					
Maintenance Management System		2,000,000			2,000,000
Secretary of State					
Information Management System Phase 2	4,434,385				4,434,385
Legislative Branch					
Session Systems Replacement Project	6,146,000				6,146,000
Total Projects	<u>\$16,782,785</u>	<u>\$3,060,000</u>	<u>\$40,000</u>	<u>\$350,000</u>	<u>\$20,232,785</u>

Note: The projects and project appropriations of the LRBP cash program agree with changes made through the 1/7/2013 budget proposals and do not agree with HB 10 as introduced.

Funding

Unlike other Long-Range Planning programs, the LRITP does not have a dedicated source of funding for major IT projects. Instead, state agencies support their project costs through agency administered state and federal special revenue funds. For agencies primarily supported by general fund, transfers are made from the general fund to the LRITP capital projects fund in support of the agency requests.

LONG-RANGE INFORMATION TECHNOLOGY PROGRAM

LFD ISSUE

Un-appropriated Funds in LRITP Could Fund 2015 Biennium Projects

In the 2011 Legislative Session, the legislature appropriated \$5,975,000 of LRITP Capital Project fund for a project titled "Legislative Branch Information Technology Projects" in HB 5. The Governor struck the project from HB 5 but was not able to change the funding mechanism. Consequently, the LRITP capital projects fund retained \$6.0 million of monies that continue to be un-appropriated.

In the proposal for HB 10, the executive recommends \$16.8 million in projects funded with LRITP capital project funds, but because of the monies retained in the fund from the actions of the prior legislature and Governor, a transfer of \$10.8 million is all that is needed to fund all the projects.

TREASURE STATE ENDOWMENT PROGRAM

Program Description

The Treasure State Endowment Program (TSEP), administered by the Department of Commerce (DOC), is a state infrastructure finance program approved by Montana voters with the passage of Legislative Referendum 110 in June 1992. Grant funding for the program is derived from the interest earnings of the Treasure State Endowment trust. According to 90-6-702, MCA, the purpose of TSEP is to assist local governments in funding infrastructure projects that will:

- Create jobs for Montana residents
- Promote economic growth in Montana by helping to finance the necessary infrastructure
- Encourage local public facility improvements
- Create a partnership between the state and local governments to make necessary public projects affordable
- Support long-term, stable economic growth in Montana
- Protect future generations from undue fiscal burdens caused by financing necessary public works
- Coordinate and improve infrastructure financing by federal, state, local government, and private sources
- Enhance the quality of life and protect the health, safety, and welfare of Montana citizens

Infrastructure projects include drinking water systems, wastewater treatment facilities, sanitary sewer or storm sewer systems, solid waste disposal and separation systems, and bridges. The maximum grant award is \$750,000.

Eligible applicants include cities, towns, counties, tribal governments, consolidated local governments, county or multi-county water, sewer or solid waste districts, and other authorities as defined in 75-6-304, MCA. TSEP applications are submitted to the DOC on a biennial basis where they are evaluated according to seven statutory priorities. The seven statutory priorities focus on projects that:

- Solve urgent and serious public health or safety problems or that enable local governments to meet state or federal health or safety standards
- Reflect greater need for financial assistance than other projects
- Incorporate appropriate, cost-effective technical design and provide thorough, long-term solutions to community public facility needs
- Reflect substantial past efforts to ensure sound, effective, long-term planning and management of public facilities and that attempt to resolve the infrastructure problem with local resources
- Enable local governments to obtain funds from sources other than TSEP
- Provide long-term, full-time job opportunities for Montanans, provide public facilities necessary for the expansion of a business that has a high potential for financial success, or maintain the tax base or encourage expansion of the tax base
- Are high local priorities and have strong community support

The Sixty-second Legislature changed the TSEP statutes to provide parameters by which bridge construction could be funded in the program. The new language included in 90-6-710, MCA states:

...the department shall prepare and submit two lists containing the recommended projects and the recommended form and amount of financial assistance for each project to the governor, prioritized pursuant to subsection (2) and this subsection. One list must contain the ranked and recommended bridge projects, and the other list must contain the remaining ranked and recommended infrastructure projects referred to in 90-6-701(3)(a). Each list must be prioritized pursuant to subsection (2) of this section, but the department may recommend up to 20% of the interest earnings anticipated to be deposited into the treasure state endowment fund established in 17-5-703 during the following biennium for bridge projects.

As a result, the TSEP budget analysis will be provided in two sections, one for bridge projects and another for infrastructure projects.

TREASURE STATE ENDOWMENT PROGRAM

Program Budget Comparison

The following figure summarizes the proposed executive budget for the program by biennium, type of expenditure, and source of funding.

Program Comparison - Treasure State Endowment Program				
Budget Item	Budget 2013 Biennium	Budget 2015 Biennium	Biennium Change	Biennium % Change
Trust Balance (End of Biennium)	\$238,947,000	\$268,523,000	\$29,576,000	12.4%
Trust Earnings	19,747,477	21,558,000	1,810,523	9.2%
Number of Grants Funded (water)	30	25	(5)	-16.7%
Number of Grants Funded (bridge)	12	6	(6)	-50.0%
	<u>Appropriated</u>	<u>Proposed</u>		
Water Infrastructure Grants Cost	\$9,714,529	\$16,462,675	\$6,748,146	69.5%
Bridge Grants Cost	4,039,049	1,879,691	(\$2,159,358)	-53.5%
Other Grants Cost	1,000,000	1,000,000	\$0	0.0%
Total Costs	\$14,753,578	\$19,342,366	\$4,588,788	31.1%
State Special	\$14,753,578	\$19,342,366	\$4,588,788	31.1%
Total Funds	\$14,753,578	\$19,342,366	\$4,588,788	31.1%

Note: The TSEP infrastructure grants projects that are proposed for funding and the total appropriation amount differ from the November 15 executive budget release but agree with changes made to the executive budget and included in HB 11 as introduced.

Program Discussion

As seen in the figure above, the executive proposes TSEP grant funding of \$19.3 million in the 2015 biennium. The proposal will be presented in HB 11. This level of appropriation will provide funds for emergency grants, \$100,000, and preliminary engineering grants, \$900,000. The proposal also includes an appropriation of \$18.3 million to fund bridge projects, \$1.9 million, and infrastructure projects, \$16.5 million. As proposed for the 2015 biennium, bridge projects would be funded at 8.7% of total anticipated revenues. Overall, the proposal is an increase of 31.1% from the 2013 biennium, but it is useful to remember that in the 2013 biennium, the legislature provided a transfer of \$1.6 million from the TSEP funds to the general fund. A complete list of the requested TSEP bridge and infrastructure projects; including the total project cost, the requested grant amount, and the recommended grant amount may be seen in Figure F.2 in the Section F appendix.

Funding

TSEP administrative costs and grant appropriations are funded with the interest earnings from a coal severance tax endowment trust. The TSEP trust is a "sub-trust" of the permanent coal severance tax trust. The corpus of the sub-trust has grown since its formation in 1992. The TSEP trust balance is expected to be \$238.9 million by the end of the 2013 biennium and is expected to grow by \$29.6 million by the end of the 2015 biennium.

The fund balance table at the right shows the projected ending fund balance of the treasure state endowment state special revenue account for the 2015 biennium under present law assumptions. The TSEP account will begin the biennium with a beginning fund balance of \$1.5 million. The

Treasure State Endowment Fund (02270)	
Fund Balance Projection 2015 Biennium	
Estimated Beginning Fund Balance (7/01/2013)	\$1,488,756
Revenue Projections ¹	
FY 2014 Interest Earnings	\$10,403,000
FY 2015 Interest Earnings	<u>11,155,000</u>
2015 Biennium Revenues	\$21,558,000
Proposed Expenditures ²	
Administration - Commerce	(\$1,128,331)
Emergency Grants	(100,000)
Preliminary Engineering Grants	(900,000)
Bridge Grants	(1,879,691)
Water Infrastructure Grants ³	<u>(16,462,675)</u>
Total Expenditures	(\$20,470,697)
Estimated Ending Fund Balance - (6/30/2015)	<u>\$2,576,059</u>
¹ Based on LFD estimates	
² Based on executive budget proposal	
³ As revised from the 11/15/2012 Executive Budget	

TREASURE STATE ENDOWMENT PROGRAM

beginning fund balance of July 1, 2013 is projected to result from higher than anticipated interest and earnings in the 2013 biennium, as estimated by the Legislative Fiscal Division (LFD). TSEP interest earnings are expected to be \$21.6 million for the biennium. There are several expenditures recommended from the TSEP state special fund. First, there is an expenditure of \$1.1 million for the administrative costs of the program, which will be appropriated in HB 2. Other expenses appropriated in the TSEP bill include \$100,000 for the emergency grants program and a \$900,000 appropriation for preliminary engineering grants. Finally, HB 11 will provide one appropriation of \$18.3 million to provide funding for bridge and infrastructure projects. Of the total appropriation, \$1.9 million will be available to fund bridge projects and \$16.5 million will be available for infrastructure projects (please note the slight rounding error provided in these numbers).

TREASURE STATE REGIONAL WATER PROGRAM

Program Description

The 1999 Legislature created the treasure state endowment regional water system fund as a new sub-trust within the coal tax permanent trust. The program is administered by the Department of Natural Resources and Conservation (DNRC). The Treasure State Endowment Program Regional Water System (TSEPRW), established in 90-6-715, MCA, was created to:

"...finance regional drinking water systems that supply water to large geographical areas and serve multiple local governments, such as projects in north central Montana, from the waters of the Tiber reservoir, that will provide water for domestic use, industrial use, and stock water for communities and rural residences that lie south of the Canadian border, west of Havre, north of Dutton, and east of Cut Bank and in northeastern Montana, from the waters of the Missouri River, that will provide water for domestic use, industrial use, and stock water for communities and rural residences that lie south of the Canadian border, west of the North Dakota border, north of the Missouri River, and east of range 39."

Two projects that have received federal authorization and now qualify for a match of federal funding are the Fort Peck Indian Reservation/Dry Prairie Regional Water System (Fort Peck/Dry Prairie) and the Rocky Boy's Indian Reservation/North Central Montana Regional Water System (Rocky Boy's/NC Montana).

A third project, the Dry-Redwater Regional Water System, would bring water to portions of Garfield, McCone, Richland, Prairie, and Dawson counties. The Dry-Redwater Regional Water Authority was established in FY 2006, and a project feasibility study was completed in FY 2007. A fourth project, the Musselshell-Judith Regional Water System (Central Montana Regional Water Authority), has not qualified for federal funding, but has received program approval from the state. Both of these projects are progressing through planning phases specified by the Department of Interior and could be federally authorized projects within the coming biennium.

The Regional Water Authorities prioritize the construction projects. Each system prioritizes projects based on several criteria but the top three are:

- Need (is there a boil order in the town or an urgent need for the construction)
- Feasibility (can the project move forward this biennium given the Regional Water System infrastructure already in place?)
- Cost & Funding (is the project affordable based on available funds? This is dependent on Federal and State funds and if the local community is prepared to pay their share)

Program Budget Comparison

The following table summarizes the proposed executive budget for the program by biennium, type of expenditure, and source of funding.

Program Comparison - Treasure State Endowment Regional Water Program				
Budget Item	Budget 2013 Biennium	Budget 2015 Biennium	Biennium Change	Biennium % Change
Trust Balance (End of Biennium)	\$76,396,000	\$91,170,000	\$14,774,000	19.34%
Trust Earnings	5,971,667	6,949,000	977,333	16.37%
	<u>Appropriated</u>	<u>Proposed</u>		
Projects Funding	\$3,900,000	\$8,900,000	\$5,000,000	128.21%
Total Costs	\$3,900,000	\$8,900,000	\$5,000,000	128.21%
State Special	\$3,900,000	\$8,900,000	\$5,000,000	128.21%
Total Funds	\$3,900,000	\$8,900,000	\$5,000,000	128.21%

Program Discussion

The executive budget proposal TSEPRW for the 2015 biennium will be presented in HB 11. As seen in the figure above, the executive proposes project funding of \$8.9 million in the 2015 biennium. The proposal is an increase

TREASURE STATE REGIONAL WATER PROGRAM

of 128.2% from the 2013 biennium, but it is useful to remember that in the prior biennium, the legislature provided a transfer of \$1.0 million from the TSEPRW funds to the general fund.

A list of the TSEPRW projects, as prioritized by the regional water authorities, that could be funded through the appropriation in the 2015 biennium is seen in the figure to the right. The construction projects listed may change in priority as need, feasibility, and available funds change.

Funding

The TSEPRW trust is a “sub-trust” of the permanent coal severance tax trust. The corpus of the sub-trust has grown since its formation in 1999 with distributions of 25% of the coal severance tax deposited into the coal tax trust (12.5% of the total coal severance tax). The trust balance is expected to be \$76.4 million by the end of the 2013 biennium and is expected to grow by \$14.8 million by the end of the 2015 biennium. The interest earned from the fund is transferred into the state special revenue fund authorized in Title 90, Section 6, part 7, MCA, to provide a match for federal and local monies for the purpose of developing large water systems.

Treasure State Endowment Regional Water Program Potential Regional Water Projects - 2015 Biennium	
Regional Water Authority / Proposed construction segment	Estimated Cost (millions)
Dry Prairie Rural Water	
Medicine Lake-to-Plentywood main line*	\$5.0
East Medicine Lake Phase II (rural connections)*	1.5
Nashua-to-Glasgow main line**	6.0
Total Dry Prairie	\$12.5
North Central MT	
Conrad-to-Brady main line*	\$4.5
Shelby-to-Cut Bank main line**	17.5
Core Pipeline, remaining State share*	0.6
Total North Central MT	\$22.6
Dry-Redwater	
Sidney-to-Lambert interim supply**	\$10.0
Sidney-to-Fairview interim supply**	4.0
Total Dry-Redwater	\$14.0
Musselshell-Judith Gap	
Two production wells at Judith Gap area well field**	\$3.0
550,000 gallon water storage tank**	2.0
Well field-to-Judith Gap main line (5 miles large diameter)**	5.0
Judith Gap-to-Harlowton branch line**	15.0
Total Musselshell-Judith Gap	\$25.0
* Potential construction segments commencing in FY 2014	
** Potential construction segments commencing in FY 2015	

TSEP Regional Water System Fund (02015) Fund Balance Projection 2015 Biennium	
Estimated Beginning Fund Balance (7/1/2013)	\$3,084,730
Revenue Projections ¹	
2014 Interest Earnings	\$3,295,000
2015 Interest Earnings	<u>3,654,000</u>
2015 Biennium Revenues	6,949,000
Proposed Expenditures	
Administration - DNRC ²	(174,000)
Regional Water Authority Admin. Grants ²	(1,169,000)
Grant Appropriation	<u>(8,900,000)</u>
Total Proposed Expenditures	(10,243,000)
Estimated Ending Fund Balance - (6/30/2015)	<u>(\$209,270)</u>
¹ Based on LFD estimates	
² Based on executive budget proposal HB 2	

The figure to the left shows the fund balance calculation for the TSEPRW account for the 2015 biennium. The beginning fund balance is expected to be \$3.1 million at the beginning of the 2015 biennium. The trust earnings are expected to be \$6.9 million, as estimated by the Legislative Fiscal Division (LFD), in the 2015 biennium. Statutorily, the interest earnings of the trust may be used to fund the administrative expenses for the program, and the executive recommendation proposes a DNRC administrative appropriation of \$174,000 and a \$1.2 million grants appropriation for the administrative costs of the four regional water authorities, recommended in the general appropriation act. The appropriation of \$8.9 million is proposed for regional water project matching funds and would be included in HB 11 (note: individual

projects are not authorized in this program).

LFD ISSUE

FY 2015 Ending Fund Balance is Estimated to be Negative

The TSEPRW fund balance is estimated to be significantly negative at the end of the 2015 biennium. The Montana Constitution, Article VIII, Section 9, requires:

“Appropriations by the legislature shall not exceed anticipated revenue.”

As illustrated above, the proposed appropriations would exceed the anticipated revenues. Because of this requirement, the Long-Range Planning subcommittee may wish to consider taking actions to provide a positive balance in the TSEPRW fund.

RENEWABLE RESOURCE GRANT AND LOAN PROGRAM

Program Description

The Renewable Resource Grant and Loan (RRGL) program was created by the 1993 Legislature. This program combines the former Renewable Resource Development Program, established in 1975, and the Water Development Program, established in 1981. As outlined under Title 85, Chapter 1, part 6, MCA, the purpose of the RRGL is to fund projects that "enhance Montana's renewable resources through projects that measurably conserve, develop, manage, or preserve resources."

The Department of Natural Resources and Conservation (DNRC) administers the RRGL program, which involves a biennial application process. DNRC and a technical review team initially evaluate each application for economic and technical feasibility, as well as to ensure that proposed projects are located in Montana. Qualifying applications are then examined according to six criteria:

- Financial feasibility
- Adverse environmental impact
- Technical merit
- Public benefit
- Renewable Resource Benefit

Program Budget Comparison

The following table summarizes the proposed executive budget for the program by biennium, type of expenditure, and source of funding.

Program Comparison - Renewable Resource Grant and Loan Program				
Budget Item	Budget 2013 Biennium	Budget 2015 Biennium	Biennium Change	Biennium % Change
Number of Grants Funded	64	68	4	6.3%
	<u>Appropriated</u>	<u>Proposed</u>		
Grants Cost	\$6,260,000	\$6,761,983	\$501,983	8.0%
Other Grants	1,430,000	1,962,000	532,000	37.2%
Loan Program	13,724,457	7,435,056	(6,289,401)	-45.8%
Total Costs	\$21,414,457	\$16,159,039	(\$5,255,418)	-24.5%
State Special	\$7,690,000	\$8,723,983	\$1,033,983	13.4%
Bond Proceeds	13,724,457	7,435,056	(6,289,401)	-45.8%
Total Funds	\$21,414,457	\$16,159,039	(\$5,255,418)	-24.5%

Program Discussion

As seen in the figure above, the executive proposes a total of \$16.2 million of appropriations for the RRGL programs in the 2015 biennium. Of the proposed appropriations, \$8.7 million is for various grant projects and \$7.4 million is for the loan program (only a reauthorization of previous authorized loans). The RRGL grant proposals are included in HB 6 and the loan proposals in HB 8. The 2015 biennium budget is \$5.3 million, or 24.5%, less than the RRGL budget in the 2013 biennium, and the change is primarily related to the reduced loan appropriations included in HB 8.

Grant Program

DNRC received a total of 96 grant applications from local governments, from which 68 are recommended for grants at a cost of \$6,761,983. The RRGL grants program are presented in HB 6. Along with the appropriation for the local government grants, the executive RRGL grants proposal will also include appropriations for \$100,000 to fund the emergency grant program and \$1,062,000 for project planning grants. The executive recommendation also includes grants for other natural resource projects with include: \$300,000 for irrigation development grants, \$100,000 for private grants, \$200,000 for capacity building grants, and \$200,000 for a state water plan and inventory.

RENEWABLE RESOURCE GRANT AND LOAN PROGRAM

A complete listing of the RRGL local government conservation grants may be seen in Figure F.3 in the Section F appendix.

Note: Local governments often apply for both RRGL and Treasure State Endowment Program (TSEP) grants to provide funding for the same infrastructure projects. The RRGL grant table found in the appendix includes an indicator, "X", next to those local governments who also applied for a TSEP grant.

Loan Program

The second element of the RRGL program is the loan program. The loan program, proposed in HB 8, will authorize the issuance of coal severance tax bonds to finance RRGL project loans. Proceeds from the issuance of bonds are used to fund the loans and the repayment of the loans fund the debt service. Loans have differing interest rates based on the borrower's financial capacity for loan repayment. The interest payments on some of the bonds are subsidized with earnings from the coal severance tax bond fund. Because these are general obligation bonds, they constitute state debt that requires a two-thirds vote of the members of each house. Moreover, because money from the coal severance tax bond fund is pledged for debt service payments on the bonds, the RRGL loan/bond bill will also require a three-fourths vote of the members of each house, as directed by the Montana Constitution.

The RRGL bond bill will include the reauthorization of three loans originally authorized by the 2013 Legislature. The total request for bond authority and appropriation is \$7.4 million and includes loan re-authorizations of \$6.4 million and an additional amount of \$1.0 million to establish a reserve for the bonds. The projects considered for loans are shown in the figure below.

Renewable Resource Loans 2015 Biennium		
Loans-Sponsor/Project	Loan Recommendation	Cumulative Total
Section 1		
Subsection (2) Projects (3.0% or State bond rate, whichever is lower-20 years)		
DNRC-Conservation and Resource Development Division (CARDD)		
Refinance Existing Debt or Rehabilitation of Water and Sewer Facilities	\$3,000,000	\$3,000,000
Section 2¹		
Subsection (2) Projects (4.5% or State bond rate, whichever is lower-15 years)		
DNRC-Water Resource Division (WRD)		
Ruby Dam Rehabilitation Project-Phase 2	2,000,000	5,000,000
Subsection (3) Projects (4.5% or State bond rate, whichever is lower-30 years)		
Sunset Irrigation District		
Gravity Flow Irrigation Pipelines	1,465,266	6,465,266
Total Loan Authorizations:	\$6,465,266	
Loan Reserve:	969,790	
Total Bond Request	\$7,435,056	
¹ Section 2 are loans to be reauthorized		
NOTE: Projects are grouped by differences in loan circumstances and interest rates.		

Note: HB 8, as introduced will include amounts for the loan reserve and the total bond authority which are inaccurate. The amounts reflected in the figure above are the corrected amounts.

Funding

The funding for the RRGL is provided through the "natural resource projects" state special revenue fund. To view the full natural resource projects fund balance analysis see page F-21. The RRGL loan program is financed with coal severance tax bond issues. The Board of Examiners will be authorized to issue coal severance tax

RENEWABLE RESOURCE GRANT AND LOAN PROGRAM

bonds in the amount of \$7.4 million, which would be appropriated to the DNRC for financing the projects identified in the bill.

LFD ISSUE

Corrections Required

At some point in the process, the agency request related to the HB 8 loans was changed. The changes, which were made to the total amount of loans, were not carried through to the required amount of the loan reserve or to the total of authority provided in the bill draft. Additionally, when the changes were made, language that specified the use of the bond proceeds was inadvertently omitted. This is language that the agency believes is critical to have included in the legislation. Consequently, correcting amendments will be required in HB 8.

RECLAMATION AND DEVELOPMENT GRANT PROGRAM

Program Description

The Reclamation and Development Grants Program (RDGP) is designed to fund projects that, "...indemnify the people of the state for the effects of mineral development on public resources and that meet other crucial state needs serving the public interest and the total environment of the citizens of Montana" (90-2-1102, MCA).

As provided in statute, projects approved in the RDGP are intended to:

- Repair, reclaim, and mitigate environmental damage to public resources from non-renewable resource extraction
- Develop and ensure the quality of public resources for the benefit of all Montana citizens

The RDGP is administered by DNRC, which solicits, evaluates, and ranks applications on a biennial basis. In accordance with 90-2-1113, MCA, priority consideration is given to the Montana Board of Oil and Gas Conservation for \$600,000 in grants and to any government entity for abandoned mine reclamation projects for \$800,000 in grants over the biennium. No grant may exceed \$300,000. Public entities eligible to apply for grants include state and local governments, political subdivisions, and tribal governments. Applications are evaluated according to specific criteria related to:

- Public benefit
- Need and urgency
- Appropriateness of technical design
- Financial feasibility
- Project management/organization

Program Budget Comparison

The following table summarizes the proposed executive budget for the program by biennium, type of expenditure, and source of funding.

Program Comparison - Reclamation and Development Grant Program				
Budget Item	Budget 2013 Biennium	Budget 2015 Biennium	Biennium Change	Biennium % Change
Number of Grants	23	19	(4)	-17.4%
	<u>Appropriated</u>	<u>Proposed</u>		
Grants Cost	\$5,883,800	\$4,418,645	(\$1,465,155)	-24.9%
Other Grants	1,200,000	1,825,000	\$625,000	52.1%
Total Costs	\$7,083,800	\$6,243,645	(\$840,155)	-11.9%
State Special	\$7,083,800	\$6,243,645	(\$840,155)	-11.9%
Total Funds	\$7,083,800	\$6,243,645	(\$840,155)	-11.9%

Program Discussion

As seen in the figure above, the executive proposes appropriations of \$6.2 million for the RDGP program in the 2015 biennium, and will be presented to the legislature in HB 7. The RDGP program received 23 applications requesting grants of \$6.1 million, from which 19 grants are recommended to receive \$4.4 million. The executive proposal also includes an appropriations of \$1.0 million to fund project planning grants, \$525,000 for the control of aquatic invasive species, and \$300,000 for groundwater sampling in areas of oil and gas development. A complete listing of the RDGP grants may be seen in Figure F.4 in the Section F appendix.

Funding

The natural resource projects account funds appropriations for natural resource grants authorized by the legislature in the RRGL and the RDGP, as well as various other natural resource programs. The account receives the income from the following sources:

RECLAMATION AND DEVELOPMENT GRANT PROGRAM

- Interest income of the resource indemnity trust (RIT) fund as provided in and subject to the conditions of 15-38-202, MCA (\$3.5 million each fiscal year for the purpose of making grants)
- Resource indemnity and ground water assessment tax (RIGWA) under provisions of 15-38-106, MCA (50% of the remaining proceeds, after appropriations for CIRCLA debt service, and \$366,000 to the groundwater assessment account, for the purpose of making grants)
- Oil and gas production tax as provided in 15-36-331, MCA (2.16% of oil and natural gas production taxes remaining after the distributions pursuant to subsections (2) and (3))
- Excess coal severance tax proceeds allocated by 85-1-603, MCA to the renewable resource loan debt service fund (above debt service requirements as provided in and subject to the conditions of 85-1-619, MCA)

As shown in the fund balance table below, the natural resource project account is estimated to have a beginning fund balance of \$1.5 million in the 2015 biennium. This beginning fund balance is primarily the result of greater than anticipated revenues from the oil and natural gas tax. Revenues for the biennium, as provided in the Legislative Fiscal Division (LFD) estimates, are expected to be \$13.6 million.

Appropriations from the natural resource projects account are authorized in Title 15, Chapter 38, MCA, which states, "Appropriations may be made from the natural resources projects state special revenue account for grants and loans for designated projects and the activities authorized in 85-1-602 and 90-2-1102", the RRGL and RDGP programs. In the 2015 biennium, the executive budget recommends total appropriations of \$8.7 million for the RRGL program and other grants proposed for HB 6 and \$6.2 million for the RDGP program from the natural resource projects account. The ending fund balance at the end of the 2015 biennium is projected to be \$110,185.

Natural Resource Project Account (02577)			
2015 Biennium			
Estimated Beginning Fund Balance (7/1/2013)			\$1,525,195
Revenue Projections ¹	FY 2014	FY 2015	Biennium Total
RIT Interest Earnings	\$3,398,646	\$3,500,000	\$6,898,646
Resource Indemnity & Groundwater Tax	937,922	977,922	1,915,844
Oil and Natural Gas Tax	2,373,085	2,334,043	4,707,128
Administrative Fees	31,000	0	31,000
2015 Biennium Revenues			13,552,618
HB 6 Appropriations ²			
Emergency Grants			(100,000)
Project Planning Grants			(1,062,000)
Irrigation Development Grants			(300,000)
Private Grants			(100,000)
Capacity Building Grants			(200,000)
State Water Plan			(200,000)
Proposed RRGL Project Grants			(6,761,983)
Total RRGL Appropriations			(8,723,983)
HB 7 Appropriations ³			
Project Planning			(1,000,000)
Aquatic Invasive Species Control			(525,000)
Oil and Gas Development Groundwater Sampling			(300,000)
Proposed RDGP Project Grants			(4,418,645)
Total RDGP Appropriations			(6,243,645)
Estimated Ending Fund Balance (6/30/2015)			\$110,185
¹ LFD Estimates			
² Executive proposal (HB 6)			
³ Executive proposal (HB 7)			

CULTURAL AND AESTHETIC GRANT PROGRAM

Program Description

The Cultural and Aesthetic Grant Program (C&A), as provided in Title 22, Chapter 2, part 3, MCA, is administered by the Montana Arts Council (MAC). Interest earnings from a statutory trust, which receives coal severance tax revenues, fund the grant program. By statute, the interest from the cultural trust is to be appropriated for the protection of works of art in the State Capitol and other cultural and aesthetic (C&A) projects, 15-35-108, MCA.

Grant applications for cultural and aesthetic projects are submitted to the MAC on a biennial basis. Eligible applicants include the state of Montana and regional, county, city, town, or Indian tribal governments. A 16-member Cultural and Aesthetic Projects Advisory Committee, with eight members appointed by the Montana Arts Council and eight appointed by the Montana Historical Society, reviews each application. The committee prioritizes the requests and makes funding recommendations to the legislature as part of the executive budget. All grants require legislative approval in accordance with 22-2-306 through 309, MCA.

Program Budget Comparison

The following table summarizes the proposed executive budget for the program by biennium, type of expenditure, and source of funding.

Program Comparison - Cultural and Aesthetic Trust				
Budget Item	Budget 2013 Biennium	Budget 2015 Biennium	Biennium Change	Biennium % Change
Trust Balance (End of Biennium)	\$12,132,000	\$12,877,000	\$745,000	6.1%
Trust Earnings	1,148,049	1,202,000	53,951	4.7%
Number of Grants	83	70	(13)	-15.7%
	<u>Appropriated</u>	<u>Proposed</u>		
Grants Cost	\$666,229	\$533,976	(\$132,253)	-19.9%
Capitol Complex Works of Art	30,000	30,000	0	0.0%
Total Costs	\$696,229	\$563,976	(\$132,253)	-19.0%
State Special	\$696,229	\$563,976	(\$132,253)	-19.0%
Total Funds	\$696,229	\$563,976	(\$132,253)	-19.0%

Program Narrative

The executive recommendation for C&A grants will be introduced in HB 9. The first C&A priority recommended for funding is a \$30,000 appropriation to the Montana Historical Society for the care and conservation of capitol complex artwork, in accordance with 2-17-805, MCA. The second priority is 70 C&A grant awards totaling \$533,976. The recommended awards are prioritized within four categories, which include Special Projects costing \$4,500 or less, Special Projects greater than \$4,500, Operational Support Projects, and Capital Expenditure Projects. In the 2015 biennium there are no projects recommended in the fifth, "Challenge Grant", category. A complete list of the requested and recommended grants may be seen in Figure F.5 of the Section F appendix.

Funding

Funding for the C&A program comes from the interest earnings from the cultural trust. The trust receives a statutorily dedicated 0.63% of coal severance tax revenues. At the end of the 2013 biennium, the cultural trust

CULTURAL AND AESTHETIC GRANT PROGRAM

balance is projected to be approximately \$12.1 million, and the balance is expected to grow by approximately \$745,000 during the 2015 biennium.

The figure to the right shows the projected balance of the C&A state special fund for the 2015 biennium. The fund is expected to begin the 2015 biennium with a fund balance of \$53,008, which results from higher than anticipated interest earnings in the 2013 biennium. The estimates, provided by the Legislative Fiscal Division (LFD), include interest earnings of \$1.2 million for the 2015 biennium. Expenditures for the C&A program are limited by the amount of interest earned from the trust investments. The executive budget proposal includes appropriations of \$298,738 for administrative expenses and \$137,286 for the Folklife program (as appropriated in the general appropriations act). In the 2015 biennium, program administration costs are almost 24.9% of the total program revenues. Program expenditures also include \$30,000 for a statutorily required appropriation for capitol complex works of art, and grant funding proposals of \$533,976.

Cultural & Aesthetic Grant Fund (02009) Fund Balance Projection, 2015 Biennium	
Estimated Beginning Fund Balance (7/1/2013)	\$53,008
Revenue Projections ¹	
FY 2014 Interest Earnings	\$593,000
FY 2015 Interest Earnings	<u>609,000</u>
2015 Biennium Revenues	\$1,202,000
Proposed Expenditures	
MAC Administration ²	(\$298,738)
Folklife ²	(137,286)
Capitol Complex Works of Art	(30,000)
Grants ³	<u>(533,976)</u>
Total Expenditures	(\$1,000,000)
Estimated Ending Fund Balance (6/30/2015)	<u>\$255,008</u>
¹ LFD estimates	
² Executive proposal (HB 2)	
³ Executive proposal (HB 9)	

LFD COMMENT

In past biennia, the C&A grant program has experienced interest earnings that have not kept pace with legislative appropriations. When revenue shortfalls occur, language contained in the C&A appropriation bill has provided for a reduction of grants, those awards greater than \$4,500, on a pro-rata basis. While some grant recipients are able to absorb the lower grant terms, in a number of cases program plans for the grant dollars are established and irreversible, causing financial harm to the recipient. To mitigate the negative effects of interest income shortfalls, past legislatures have allowed an ending fund balance in the C&A grants fund. With the grant proposals of the 2015 biennium, there is an excess fund balance equal to 47.8% of the grant recommendations.

QUALITY SCHOOL FACILITY GRANT PROGRAM

Program Description

The Quality Schools Facilities Grant Program (quality schools grants program), is a competitive grant program, administered by the Department of Commerce (DOC), which was created to provide infrastructure grants, matching planning grants, and emergency grants to public school districts in Montana. The statute creating the program was passed by the Sixty-first Legislature and is found in 90-6-801, MCA. The principal objectives of the quality schools grants are to:

- Solve urgent and serious public health or safety problems, or enable public school districts to meet state or federal health or safety standards
- Provide improvements necessary to bring school facilities up to current local, state, and federal codes and standards
- Enhance public school districts' ability to offer specific services related to the requirements of the accreditation standards provided for in Section 20-7-111, MCA
- Provide long-term cost-effective benefits through energy-efficient design
- Incorporate long-term, cost-effective benefits to school facilities, including the technology needs of school facilities
- Enhance educational opportunities for students

Grants are made through an application process available to all of the 421 school districts across the state. In the role of prioritizing grants, the DOC must consider (without preference or priority) the following attributes of a school facility project application:

- The need for financial assistance
- The fiscal capacity of the public school district to meet the conditions established in 90-6-812
- Past efforts to ensure sound, effective, long-term planning and management of the school facility and attempts to address school facility needs with local resources
- The ability to obtain funds from other sources
- The importance of the project and support for the project from the community

Program Budget Comparison

The following table summarizes the proposed executive budget for the program by biennium, type of expenditure, and source of funding.

Program Comparison - Quality School Facility Program				
Budget Item	Budget 2013 Biennium	Budget 2015 Biennium	Biennium Change	Biennium % Change
Number of Grants	30	29	(1)	-3.3%
	<u>Appropriated</u>	<u>Proposed</u>		
Project Costs	\$11,069,265	\$11,268,791	\$199,526	1.8%
Other Grants	1,000,000	1,000,000	0	0.0%
Total Costs	\$12,069,265	\$12,268,791	\$199,526	1.7%
State Special	\$12,069,265	\$12,268,791	\$199,526	1.7%
Total Funds	\$12,069,265	\$12,268,791	\$199,526	1.7%

Program Narrative

DOC received 66 complete applications requesting over \$30 million in project grant funds, from which 29 grants requesting \$11.3 million are recommended. The quality schools grant program will be presented to the Sixty-third Legislature in HB 15. A complete list of the requested and recommended grants may be seen in Figure F.6 in the Section F appendix.

QUALITY SCHOOL FACILITY GRANT PROGRAM

Funding

In the May 2007 Special Session, the legislature passed SB 2, which created a new school facility improvement fund, in 20-9-516, MCA. The fund was established to provide money to schools for two purposes. First, the state special fund provides money for a \$1.0 million/FY statutory appropriation to schools for information technology upgrades. Second, the fund provides money for infrastructure grants, matching planning grants, and emergency grants to public school districts in Montana. The money deposited in the fund may be used for major deferred maintenance, improving energy efficiency in school facilities, or critical infrastructure in school districts. In the 2011 legislative session, the state obligation to assist school districts with the costs of bond issues for new facilities was directed to the school facility and technology fund.

School Facility and Technology Fund (02218)			
Fund Balance Projection 2015 Biennium (including the 1/7/2013 Governor's Amendments)			
Estimated Beginning Fund Balance (7/01/2013)			\$18,810,859
Revenue Projections ¹			Biennium
	FY 2014	FY 2015	Total
Lottery Profits	\$14,518,000	\$15,283,000	\$29,801,000
Timber Harvest Income	4,037,000	4,906,000	8,943,000
Public Land Trust Power Site Rent	0	4,471,900	4,471,900
Interest Earnings	35,000	5,000	40,000
2013 Biennium Revenues			43,255,900
Proposed Expenditures ²			
School Facility Debt Obligation ³	(8,586,000)	(8,586,000)	(17,172,000)
Technology Statutory Appropriation	(1,000,000)	(1,000,000)	(2,000,000)
Emergency Grants			(100,000)
Planning Grants			(900,000)
School Facility Grants			(11,268,792)
Total Expenditures			(31,440,792)
Estimated Ending Fund Balance - (6/30/2015)			\$30,625,967
¹ SJ2 estimates			
² Proposed (HB 15)			
³ Based on executive proposal (HB 2)			

The school facility and technology fund is expected to begin the biennium with \$18.8 million, the funds remaining from prior distributions of mineral royalties from state lands. For the 2015 biennium, the fund will receive revenues from the following sources:

- Timber harvest income under the provisions of 20-9-516(2)(a), MCA (the income attributable to the difference between the average sale value of 18 million board feet and the total income produced from the annual timber harvest on common school trust lands during the fiscal year)
- Beginning July 1, 2014, public land trust power site rent under the provisions of 77-4-208(2), MCA (ninety-five percent of all rental payments received under this section must be deposited in the school facility and technology account provided for in 20-9-516)

Note: The 1/7/2013 executive budget recommendation includes a proposal to redirect Lottery Profits from the general fund to the School Facility and Technology Fund. The change is captured in the table above. This action would provide ongoing support for the state obligation for school building debt and would enhance the amount of money available for the program in the future.

The fund balance table above shows the executive budget recommendations for the 2015 biennium. The total executive expenditure proposal for the School Facility and Technology Fund is \$31.4 million. For the 2015 biennium, the state contribution to school debt obligation is expected to be \$17.2 million. The fund is also responsible for the annual funding of a \$1.0 million statutory appropriation which provides technology upgrades to school districts. The remaining appropriations are related to the 2015 biennium quality schools grant program and include \$100,000 for emergency grants, \$900,000 for facility deferred maintenance project planning, and \$11.3 million for grants to school districts for facility projects. Considering the revenue projections and all the executive proposals and including the funding switch proposed, the quality schools grant program ending fund balance is expected to be \$30.6 million.

QUALITY SCHOOL FACILITY GRANT PROGRAM

LFD ISSUE

The Sixty-second Legislature made a number of changes to the schools facility and technology fund which will have future impacts on the availability for the Quality Schools Facilities Grant Program to make grants. First, the legislature continued the distribution of public lands trust power site rents to the school guarantee fund until July 1, 2014. Previously the funds were statutorily directed to the school facility and technology fund beginning in FY 2011. A second change made by the legislature directed payment of the state's responsibility for the facility bonded debt to school districts to the fund. The most significant of these changes is related to the transfer of the debt obligation.

With the move of the school facility debt service obligation to the school facility and technology fund, the fund is not structurally balanced. The current revenues including full biennial distributions of public land power site rents will not support the costs of the debt obligation and the statutory appropriation, with biennial revenues at approximately \$18.0 million and costs of approximately \$19.0 million. With these fund requirements considered as primary, in the future there will be no money available for the grant program under present law.

Since the transfer of the school debt obligation, the fund has remained solvent because of a fund balance established when mineral royalties from public lands were deposited into the fund. The beginning fund balances have declined from \$44.5 million in FY 2011 to an estimated \$18.8 million in FY 2014, and projections suggest that the fund will end the 2015 biennium with \$824,967.

The Governor has recommended diverting the flow of Lottery Profits from the general fund to the School Facility and Technology fund. The legislature may want to watch the progression of the enacting legislation. At this time, staff is not aware of which bill will include the recommendation, but will be prepared to address this by the Quality Schools hearings. The fund is expected to have sufficient monies for the current biennium, but if the Sixty-third Legislature does not agree with the executive proposal, it is unlikely that the fund will be able to support the Quality Schools grant program in future years.

Long-Range Building Program

Executive Recommendations - Cash Projects by Fund Type (HB 5)							
Rank	Agency / Project	Bonds	LRBP Capital Project	SBECP Capital Project Funds	State Special	Fed Special	Proprietary Authorization
Total	% of Total						
Department of Administration							
2	Repair Corrections Department Parking Structure, Helena		\$450,000				\$450,000 0.4%
4	Install Safety Handrails in Capitol		200,000		200,000		400,000 0.4%
9	Repair and Upgrade Capitol HVAC Systems			500,000	900,000		1,400,000 1.4%
10	Upgrade Scott Hart HVAC System, Ph 2				1,500,000		1,500,000 1.5%
	Subtotal Department of Administration	\$0	\$650,000	\$500,000	\$2,600,000	\$0	\$3,750,000 3.7%
Department of Corrections							
1	Construct Low Side Units, MSP Deer Lodge		26,000,000				26,000,000 25.8%
8	Repair and Upgrade Building Systems, Pine Hills Youth Correctional Facility		511,000	500,000			1,011,000 1.0%
15	Renovate Laundry Facilities, MT State Prison, Deer Lodge			600,000		600,000	1,200,000 1.2%
	Subtotal Department of Corrections	\$0	\$26,511,000	\$1,100,000	\$0	\$0	\$28,211,000 28.0%
Department of Environmental Quality							
6	Energy Improvements, Statewide			1,900,000			1,900,000 1.9%
	Subtotal Department of Environmental Quality	\$0	\$0	\$1,900,000	\$0	\$0	\$1,900,000 1.9%
Department of Justice							
3	Upgrade Water Supply System - Montana Law Enforcement Academy		400,000				400,000 0.4%
	Subtotal Department of Justice	\$0	\$400,000	\$0	\$0	\$0	\$400,000 0.4%
Department of Military Affairs							
14	Vault Modifications, Statewide					780,000	780,000 0.8%
16	Federal Spending Authority				2,500,000		2,500,000 2.5%
20	Upgrade Sewer/Water Service AFRC, Kallispell		250,000		750,000		1,000,000 1.0%
18	Replace Readiness Center, Malta		400,000		15,400,000		15,400,000 15.3%
	Subtotal Department of Military Affairs	\$0	\$650,000	\$0	\$19,030,000	\$0	\$19,680,000 19.5%
Department of Fish, Wildlife, and Parks							
21	Habitat Montana				9,930,000		9,930,000 9.9%
22	Upland Game Bird Program				746,000		746,000 0.7%
23	Wildlife Habitat Maintenance				970,000		970,000 1.0%
24	Bighorn Sheep Habitat				210,000		210,000 0.2%
25	Parks Program				3,084,000	1,200,000	4,284,000 4.3%
26	Grant Programs / Federal Projects				218,000	5,000,000	5,218,000 5.2%
27	Future Fisheries				790,000		790,000 0.8%
28	Fishing Access Site Acquisition				330,000		330,000 0.3%
29	Fishing Access Site Protection				1,050,000	800,000	1,850,000 1.8%
30	Hatchery Maintenance				575,000		575,000 0.6%
31	Dam Maintenance				50,000		50,000 0.0%
32	Community Fishing Pond				50,000		50,000 0.0%
33	Admin Facilities Repair & Main				1,325,000	1,330,000	2,655,000 2.6%
34	Forest Management Project				32,000		32,000 0.0%
	Subtotal Department of Fish, Wildlife, and Parks	\$0	\$0	\$0	\$19,260,000	\$7,100,000	\$26,360,000 26.2%
Department of Natural Resource and Conservation							
11	Major Repairs & Small Projects, Statewide		300,000				300,000 0.3%
12	Repair Unit Residences, Statewide				100,000		100,000 0.1%
	Subtotal Department of Natural Resources and Conservation	\$0	\$300,000	\$0	\$100,000	\$0	\$400,000 0.4%
Department of Public Health and Human Services							
5	Repair Sewage Collection System, Warm Springs		1,520,000				1,520,000 1.5%
	Subtotal Department of Public Health and Human Services	\$0	\$1,520,000	\$0	\$0	\$0	\$1,520,000 1.5%
Department of Transportation							
13	Statewide Maintenance, Repair & Small Projects				2,100,000		2,100,000 2.1%
19	Equipment/ Office Buildings, Statewide				5,200,000		5,200,000 5.2%
	Subtotal Department of Transportation	\$0	\$0	\$0	\$7,300,000	\$0	\$7,300,000 7.2%
Montana University System							
17	General Spending Authority, MUS - All Campuses					11,000,000	11,000,000 10.9%
	Subtotal Montana University System	\$0	\$0	\$0	\$0	\$0	\$11,000,000 10.9%

Long-Range Building Program
Executive Recommendation - 2015 Biennium (including the 1/7/2013 Governor's Amendments)

Rank	Agency / Project	Bonds	Capital Project	Executive Recommendations - Cash Projects by Fund Type (HB 5)					Total	% of Total	
				LRBP	SB/ECP Capital	Project Funds	State Special	Fed Special			Proprietary
Montana School for the Deaf and Blind											
7	Building Repairs and Improvements, Great Falls:		195,000							195,000	0.2%
	Subtotal Montana School for the Deaf and Blind:	\$0	\$195,000	\$0	\$0	\$0	\$0	\$0	\$0	\$195,000	0.2%
	Total Cash Program:	\$0	\$30,226,000	\$3,500,000	\$29,260,000	\$26,130,000	\$600,000	\$11,000,000	\$100,716,000	100.0%	100.0%
Executive Recommendations - Bonded Projects by Fund Type (HB 14)											
Department of Justice											
12	Construct Butte Justice Center (requested amendment)	\$1,000,000								\$1,000,000	0.6%
	Subtotal Department of Justice	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000,000	0.6%
Montana Historical Society											
8	Montana Heritage Center	23,000,000								28,500,000	16.6%
	Subtotal Department of Administrator	\$23,000,000	\$0	\$0	\$0	\$0	\$0	\$5,500,000	\$28,500,000	16.6%	16.6%
Montana University System											
1	Renovate Romney Hall Classroom, MSU-Bozeman	20,000,000								20,000,000	11.6%
2	Construct Science & Instructional Tech Building Addition, MSU-Billings	10,000,000						5,000,000	15,000,000	8.7%	8.7%
3	Replace Roof, MSU Great Falls College of Technology	1,000,000							1,000,000	0.6%	0.6%
4	Automotive Technology Center, MSU-Northern(requested amendment)	4,900,000						3,000,000	7,900,000	4.6%	4.6%
5	University of Montana - Missoula College of Technology(requested amendment)	29,000,000						18,000,000	47,000,000	27.4%	27.4%
6	Main Hall Renovation, Ph 3, U of M - Western	4,000,000						500,000	4,500,000	2.6%	2.6%
7	Construct Natural Resource Research Center Addition, MT Tech of the U of M	5,000,000						5,000,000	10,000,000	5.8%	5.8%
9	SA Jabs Hall, MSU-Bozeman							25,000,000	25,000,000	14.6%	14.6%
10	SA Athlete Academic Center, U of M-Missoula							2,500,000	2,500,000	1.5%	1.5%
11	SA Gilkey Executive Education Center, U of M-Missoula							9,300,000	9,300,000	5.4%	5.4%
	Subtotal Montana University System	\$73,900,000	\$0	\$0	\$0	\$0	\$0	\$68,300,000	\$142,200,000	82.8%	82.8%
	Total Bond Program:	\$97,900,000	\$0	\$0	\$0	\$0	\$0	\$73,800,000	\$171,700,000	100.0%	100.0%
Total Long-Range Building Program											
		\$97,900,000	\$30,226,000	\$3,500,000	\$29,260,000	\$26,130,000	\$600,000	\$84,800,000	\$272,416,000		

Figure F.2

Treasure State Endowment Program (TSEP)						
2015 Biennium						
Rank	Applicant/County	Type of Project	Total Project Cost	Grant Requested	Grant Recommended	Cumulative Total
<u>Bridge Program</u>						
1	Missoula County	Bridge	\$480,372	\$960,745	\$480,372	\$480,372
2	Lewis & Clark County	Bridge	231,493	462,986	231,493	711,865
3	Beaverhead County	Bridge	123,658	247,314	123,658	835,523
4	Granite County	Bridge	376,004	752,008	376,004	1,211,527
5	Carbon County	Bridge	455,675	911,350	455,675	1,667,202
6	Ravalli County	Bridge	212,489	424,978	212,489	1,879,691
Projects below this line are not recommended for funding						
7	Powell County	Bridge	320,940	641,880	0	1,879,691
8	Judith Basin County	Bridge	235,211	470,423	0	1,879,691
9	Blaine County	Bridge	254,000	509,347	0	1,879,691
10	Anaconda-Deer Lodge Co.	Bridge	312,104	624,209	0	1,879,691
11	Jefferson County	Bridge	381,882	763,764	0	1,879,691
12	Stillwater County	Bridge	205,028	410,056	0	1,879,691
13	Park County	Bridge	109,955	219,990	0	1,879,691
14	Glacier County	Bridge	281,927	563,854	0	1,879,691
15	Big Horn County	Bridge	237,462	474,925	0	1,879,691
16	Chouteau County	Bridge	178,920	357,841	0	1,879,691
17	Yellowstone County	Bridge	218,439	436,878	0	1,879,691
Total TSEP Bridge			\$4,615,559	\$9,232,548	\$1,879,691	
<u>Water Infrastructure Program</u>						
1	Craig Co WSD, Lewis & Clark	Waste Water	3,332,755	\$750,000	\$750,000	\$750,000
2	Glendive, Dawson	Waste Water	8,879,392	625,000	625,000	1,375,000
3	Manhattan, Gallatin	Water	1,855,000	750,000	750,000	2,125,000
4	Cascade, Cascade	Water	2,069,051	750,000	750,000	2,875,000
5	Pinesdale, Ravalli	Water	2,474,000	750,000	750,000	3,625,000
6	Musselshell Co WSD, Musselshell	Water	900,250	450,125	450,125	4,075,125
7	Valier, Pondera	Waste Water	2,060,190	750,000	750,000	4,825,125
8	Hill County - North Havre, Hill	Waste Water	423,000	211,500	211,500	5,036,625
9	Hot Springs, Sanders	Water	1,185,100	592,550	592,550	5,629,175
10	Custer County RID #1, Custer	Waste Water	1,990,000	750,000	750,000	6,379,175
11	Chinook, Blaine	Water	2,998,400	750,000	750,000	7,129,175
12	Roundup, Musselshell	Water	1,250,273	500,000	500,000	7,629,175
13	Dawson Co/West Glendive, Dawson	Waste Water	3,047,631	750,000	750,000	8,379,175
14	Seeley Lake Sewer Dist, Missoula	Waste Water	6,907,000	750,000	750,000	9,129,175
15	Three Forks, Gallatin	Waste Water	4,529,155	750,000	750,000	9,879,175
16	Libby, Lincoln	Water	8,797,000	750,000	750,000	10,629,175
17	South Wind WSD, Cascade	Water & WW	1,974,500	750,000	750,000	11,379,175
18	Richland County, Richland	Waste Water	2,165,000	750,000	750,000	12,129,175
19	Amsterdam/Churchill Sewer Dist., Gallatin	Waste Water	3,161,268	750,000	750,000	12,879,175
20	Phillipsburg, Granite	Water	1,120,000	550,000	550,000	13,429,175
21	Dutton, Teton	Water	832,555	408,500	408,500	13,837,675
22	Fort Benton, Chouteau	Waste Water	4,230,000	750,000	750,000	14,587,675
23	Moore, Fergus	Waste Water	1,880,000	625,000	625,000	15,212,675
24	Forsyth, Rosebud	Waste Water	3,434,700	500,000	500,000	15,712,675
25	Vaughn Co WSD, Cascade	Waste Water	1,972,645	750,000	750,000	16,462,675
Projects below this line are not recommended for funding						
26	Choteau, Teton	Waste Water	7,773,477	750,000	0	16,462,675
27	Boulder, Jefferson	Waste Water	4,882,000	625,000	0	16,462,675
28	Polson, Lake	Water	1,480,620	625,000	0	16,462,675
29	Cut Bank, Toole	Waste Water	8,131,000	625,000	0	16,462,675
30	White Sulphur Springs, Meagher	Waste Water	988,000	460,500	0	16,462,675
31	Conrad, Pondera	Water	1,479,995	625,000	0	16,462,675
32	Winnett, Petroleum	Waste Water	2,304,000	750,000	0	16,462,675
33	Malta, Phillips	Water	6,157,500	500,000	0	16,462,675
34	Harlowton, Wheatland	Waste Water	1,611,000	625,000	0	16,462,675
35	Stevensville, Ravalli	Waste Water	3,770,630	750,000	0	16,462,675
36	Lodge Grass, Big Horn	Waste Water	3,721,000	750,000	0	16,462,675
37	Harlem, Blaine	Waste Water	2,363,829	625,000	0	16,462,675
38	Winifred, Fergus	Waste Water	2,513,000	500,000	0	16,462,675
39	Havre, Hill	Waste Water	8,966,411	500,000	0	16,462,675
40	Fairfield, Teton	Waste Water	2,629,753	625,000	0	16,462,675
41	Miles City, Custer	Waste Water	8,400,800	500,000	0	16,462,675
42	Drummond, Granite	Waste Water	2,342,000	750,000	0	16,462,675
43	Alberton, Mineral	Waste Water	581,000	290,500	0	16,462,675
44	Eureka, Lincoln	Water	1,100,000	331,000	0	16,462,675
45	Shelby, Toole	Stormwater	2,116,799	625,000	0	16,462,675
46	Belt, Cascade	Waste Water	2,525,205	625,000	0	16,462,675
47	Joliet, Carbon	Waste Water	2,388,000	625,000	0	16,462,675
48	Hamilton, Ravalli	Waste Water	2,301,000	500,000	0	16,462,675
49	Plevna, Fallon	Water	1,100,000	500,000	0	16,462,675
Total TSEP Infrastructure			\$155,095,884	\$30,544,675	\$16,462,675	

Figure F.3

Renewable Resource Grants (RRGL) 2015 Biennium				
Rank	Applicant	Grant Requested	Grant Recommended	Cumulative Total
1	Deer Lodge Valley Conservation District Racetrack Water Users Association: Water Efficiency and Energy Conservation Project - Phase 1	\$100,000	\$100,000	\$100,000
2	X South Wind Water and Sewer District South Wind Water and Sewer District Improv.	100,000	100,000	200,000
3	X Craig County Water and Sewer District Craig Wastewater System Improv.	100,000	100,000	300,000
4	X Forsyth, City of Forsyth Wastewater System Improv.	100,000	100,000	400,000
5	Clinton Irrigation District Clark Fork Diversion Rehad. Project	100,000	100,000	500,000
6	Beaverhead County Conservation District Swamp Creek Siphon Project	100,000	100,000	600,000
7	Miles City, City of Miles City Wastewater System Improv., Phase 2	100,000	100,000	700,000
8	Alberton, Town of Alberton Wastewater Project	100,000	100,000	800,000
9	X Richland County Richland County- Savage Wastewater System Improv.	100,000	100,000	900,000
10	X Dawson County Dawson County-West Glendive Wastewater System Improv.	100,000	100,000	1,000,000
11	X Fort Benton, City of Fort Benton Wastewater System Improv.	100,000	100,000	1,100,000
12	Belt, Town of Belt Wastewater System Improv.	100,000	\$100,000	1,200,000
13	X Vaughn Cascade County Water and Sewer District Vaughn Wastewater System Improv.	100,000	\$100,000	1,300,000
14	Malta Irrigation District Dodson South Canal Head Gate Replacement Project	100,000	\$100,000	1,400,000
15	Park County Park County Fairgrounds Wastewater System Improv.	100,000	\$100,000	1,500,000
16	Bitter Root Irrigation District BRID Siphon 1 - Phase 4 Improv. Project	100,000	\$100,000	1,600,000
17	Cut Bank, City of Cut Bank Wastewater System Improv.	100,000	\$100,000	1,700,000
18	Ward Irrigation District Ward Irrigation District Lost Horse Creek/Ward Canal Improv., Ward Irrigation District	100,000	\$100,000	1,800,000
19	X Glendive, City of Glendive Wastewater System Improv.	100,000	\$100,000	1,900,000
20	Harlowton, City of Harlowton Wastewater System Improv.	100,000	\$100,000	2,000,000
21	Lockwood Irrigation District Lockwood ID Intake Canal Headgate Replacement Project	100,000	\$100,000	2,100,000
22	Sweet Grass County Conservation District Pioneer Ditch Company Irrigation Diversion Rehad. Project	73,769	\$100,000	2,200,000
23	Glen Lake Irrigation District Glen Lake Irrigation District Rolling Hills Section of the Main Canal Rehad. Project	100,000	\$100,000	2,300,000
24	Hill County Beaver Creek Dam Outlet Works Rehad.	98,321	\$98,321	2,398,321
25	Winnett, Town of Winnett Wastewater	100,000	\$100,000	2,498,321
26	DNRC Water Resources Division East Fork Rock Creek Main Canal Lining Project	99,939	\$99,939	2,598,260
27	X Boulder, City of Boulder Wastewater System Improv.	100,000	\$100,000	2,698,260
28	White Sulphur Springs, City of White Sulphur Springs Wastewater Improv. Project - Phase 1	100,000	\$100,000	2,798,260
29	Helena Valley Irrigation District Helena Valley ID Pump Automation Project	100,000	100,000	2,898,260
30	Buffalo Rapids Irrigation Project District 1 Buffalo Rapids 1 Lateral 20.6 Conversion Project	100,000	100,000	2,998,260

Renewable Resource Grants (RRGL)
2015 Biennium

Rank	Applicant	Grant Requested	Grant Recommended	Cumulative Total
31	Whitefish, City of	100,000	100,000	3,098,260
	City of Whitefish Nutrient Reduction Plan			
32	Fort Peck Tribes	100,000	100,000	3,198,260
	Fort Peck Tribes Phase 2 Lateral L-2M Rehad. Project			
33	Flathead County	100,000	100,000	3,298,260
	Bigfork Stormwater Project-Phase IV			
34	X Three Forks, City of	100,000	100,000	3,398,260
	Three Forks Wastewater System Improv.			
35	X Libby, City of	100,000	100,000	3,498,260
	Libby Flower Creek Dam Water System Improv.			
36	Frenchtown Irrigation District	99,978	99,978	3,598,238
	Frenchtown Irrigation District: Main Canal Lining Project			
37	DNRC Water Resources Division	100,000	100,000	3,698,238
	Replacement Headgates for the Deadman's Basin Supply Canal Project			
38	DNRC Water Resources Division	100,000	100,000	3,798,238
	Cooney Dam Outlet Canal Weir Replacement and Automated Instrumentation Project			
39	Deer Lodge Valley Conservation District	100,000	100,000	3,898,238
	Kohrs and Manning Ditch Company Infrastructure Improv.			
40	DNRC Flathead Basin Commission	100,000	100,000	3,998,238
	Aquatic Invasive Species Prevention Project, Aquatic Invasive Species Prevention Project			
41	X Dutton, Town of	100,000	100,000	4,098,238
	Dutton Water System Improv.			
42	Fairfield, Town of	100,000	100,000	4,198,238
	Fairfield Wastewater System Improv.			
43	Buffalo Rapids Irrigation Project District 2	100,000	100,000	4,298,238
	Buffalo Rapids 2 Terry Pump Station Discharge Line			
44	X Choteau, City of	100,000	100,000	4,398,238
	Choteau Wastewater System Improv., Phase 2			
45	Daly Ditches Irrigation District	100,000	100,000	4,498,238
	Daly Ditches Irrigation District Preservation and Conservation of Resources			
46	Toston Irrigation District	100,000	100,000	4,598,238
	Toston ID Toston Canal Rehad. Project			
47	Gallatin County Conservation District	100,000	100,000	4,698,238
	Darlington Creek Enhancement Project at Cobblestone Fishing Access			
48	Missoula County Conservation District	100,000	100,000	4,798,238
	Missoula Conservation District Orchard Homes Ditch Company Intake Improv. Project			
49	Missoula Irrigation District	100,000	100,000	4,898,238
	Missoula Irrigation District Water Conservation Project			
50	X Valier, Town of	100,000	100,000	4,998,238
	Valier Wastewater System Improv.			
51	Fort Belknap Indian Community	100,000	100,000	5,098,238
	Ft Belknap Main Canal A Underdrain Rehad. Project			
52	Bozeman, City of	100,000	100,000	5,198,238
	Bozeman Creek at Bogert Park Enhancement Project			
53	Hamilton, City of	100,000	100,000	5,298,238
	Hamilton Wastewater System Improv., Phase 2			
54	Lodge Grass, Town of	100,000	100,000	5,398,238
	Lodge Grass Wastewater System Improv.			
55	Montana State University	64,462	64,462	5,462,700
	Adopt-A-Reach: Empowering Community Stewardship			
56	Pondera County Conservation District	100,000	100,000	5,562,700
	Pondera County Canal and Reservoir Company KB2 Canal Rehad. Project			
57	X Manhattan, Town of	100,000	100,000	5,662,700
	Manhattan Water System Improv.			
58	Greenfields Irrigation District	100,000	100,000	5,762,700
	Muddy Creek Wastewater and Erosion Reduction			
59	University of Montana	99,882	99,882	5,862,582
	An Algae Bioremediation System for Acidic Industrial Wastewaters, An Algae Bioremediation System for Acidic Industrial Wastewaters			
60	Black Eagle-Cascade County Water & Sewer District	99,407	99,407	5,961,989
	Black Eagle Wastewater System Improv.			
61	Stevensville, City of	100,000	100,000	6,061,989

Renewable Resource Grants (RRGL) 2015 Biennium				
Rank	Applicant	Grant Requested	Grant Recommended	Cumulative Total
	Stevensville Wastewater System Improv., Phase 2			
62	Havre, City of City of Havre Wastewater System Improv.	100,000	100,000	6,161,989
63	Elk Meadows County Water District Elk Meadows Ranchettes County Water District Water System Improv.	100,000	100,000	6,261,989
64	X Cascade, Town of Cascade Water System Improv.	100,000	100,000	6,361,989
65	X Moore, Town of Moore Wastewater System Improv.	100,000	100,000	6,461,989
66	Sweet Grass County Conservation District Big Timber Creek Channel Stabilization Project - Phase II	44,796	100,000	6,561,989
67	X Roundup, City of Roundup Water System Improv.	100,000	100,000	6,661,989
68	Garfield County Conservation District Water Syst Improv: Main Replacement And System Wide Metering	99,994	99,994	6,761,983
Projects below this line are recommended only with available fundin				
69	Jefferson Valley Conservation District Jefferson Canal Headgate Improv., Jefferson Canal Headgate Improv.	100,000	100,000	6,861,983
70	X Phillipsburg, Town of Phillipsburg Water System Improv.	100,000	100,000	6,961,983
71	Carbon County Conservation District Phase 2, Groundwater Surface Water Interaction	100,000	100,000	7,061,983
72	Sunny Hills Suburban County Water District Sunny Hills WSD Water System Improv.	100,000	100,000	7,161,983
73	Drummond, Town of Drummond Wastewater System Improv.	100,000	100,000	7,261,983
74	Big Horn County Conservation District Evaluating the Influence of Irrigation on Groundwater Quality and Quantity in Northern Big Horn County	100,000	100,000	7,361,983
75	Joliet, Town of Joliet Wastewater System Improv.	100,000	100,000	7,461,983
76	Malta, City of Malta Water System Improv.	100,000	100,000	7,561,983
77	Gallatin County Montana Grayling Creek Stream and Riparian Restoration and Parade Rest Guest Ranch Irrigation Project	96,546	75,000	7,636,983
78	Lower Musselshell County Conservation District East Brewer Irrigation Check Structure Rehad. and Southside Canal Lining	100,000	100,000	7,736,983
79	Madison County Moore's Creek Culvert Replacement	100,000	100,000	7,836,983
80	DNRC Water Resources Division 2012 Infill Drilling and Piezometer Installation Project: East Fork, Fred Burr, Martinsdale, Middle Creek, and Tongue River Dams	95,580	95,580	7,932,563
81	Hamilton, City of Hamilton Water System Improv., Well 5	100,000	100,000	8,032,563
82	Plevna, Town of Plevna Water System Improv.	100,000	100,000	8,132,563
83	Stillwater Conservation District Assessing the Groundwater Resources of the Bedrock Aquifers in Stillwater County	100,000	100,000	8,232,563
84	Sweet Grass County Greycliff Reach Yellowstone River Stabilization Project, Greycliff Reach Yellowstone River Stabilization Project	100,000	100,000	8,332,563
85	EmKayan County Water and Sewer District EmKayan WSD Water System Improv., Phase 2	100,000	100,000	8,432,563
86	Chinook, City of Chinook Water System Improv.	100,000	100,000	8,532,563
87	Eureka, Town of Eureka Water Treatment Improvement Project	100,000	100,000	8,632,563
88	Broadwater County Conservation District Big Springs Ditch Water Conservation and Spawning Bed Project	100,000	100,000	8,732,563
89	X Pinesdale, Town of Pinesdale Water System Improv.	100,000	100,000	8,832,563
90	Jefferson County Big Pipestone Creek Remediation	99,531	99,531	8,932,094

**Renewable Resource Grants (RRGL)
2015 Biennium**

Rank	Applicant	Grant Requested	Grant Recommended	Cumulative Total
91	Fort Shaw Irrigation District Fort Shaw ID A-System Modification	100,000	100,000	9,032,094
Projects below this line are not recommended for funding				
92	Ruby Valley Conservation District Big Sky Watershed Corps	100,000	0	9,032,094
93	Glacier County Conservation District Sullivan Bridge Road Stabilization	100,000	0	9,032,094
94	Winifred, Town of Winifred Wastewater System Improv.	100,000	0	9,032,094
95	Yellowstone County Conservation District Cove Irrigation District Flume Improvement Project	100,000	0	9,032,094
96	Petroleum County Conservation District Petroleum County Conservation District Horse Creek Coulee Water Storage Project	100,000	0	9,032,094
Total RRGL Grants Requested/Recommended		<u>\$9,472,205</u>	<u>\$9,032,094</u>	
X Coordination Indicator / Indicates TSEP Grant Request				

RDGP

Figure F.4

Reclamation and Development Grants (RDGP) 2015 Biennium				
Rank	Sponsor/Title	Grant Requested	Grant Recommended	Cumulative Total
1	X Missoula County Kennedy Creek Mine Reclamation	\$300,000	\$300,000	\$300,000
2	X Montana DEQ - Abandoned Mine Lands Bureau South Fork Lower Willow Creek Black Pine Mine Reclamation	300,000	300,000	600,000
3	X Philipsburg, Town of Tailings-Contaminated Sludge Disposal from Decommissioned Wastewater Lagoons	300,000	300,000	900,000
4	Montana DEQ - LUST/Brownfields Petroleum Product Delineation & Mitigation of Threat to Harlowton Public Water Supply Well	300,000	300,000	1,200,000
5	X Confederated Salish & Kootenai Tribes Joseph Allotment and Elmo Cash Store - Cleanup Implementation	126,998	126,998	1,326,998
6	X Powell County Milwaukee Roundhouse Recreational Subarea Interim Cleanup Action - Phase 2	300,000	300,000	1,626,998
7	X Missoula County Sawpit Ninemile Reclamation	300,000	300,000	1,926,998
8	X Malta, City of Former Malta Airport Facility - Herbicide/Pesticide Cleanup	221,480	249,480	2,176,478
9	Cascade Conservation District Barker-Hughesville Reclamation Area Fish Barrier Projects on Dry Fork Belt Creek	113,300	113,300	2,289,778
10	Butte-Silver Bow City-County Government Butte Mining District: Reclamation & Protection Project Phase IV	244,720	244,720	2,534,498
11	X Ryegate, Town of Former Ryegate Conoco Groundwater Remediation	185,580	206,080	2,740,578
12	X Cascade County County Shops Remediation of Wood Treatment Preservatives	300,000	300,000	3,040,578
13	Butte-Silver Bow City-County Government Irrigation Project for Butte Acidic Mine Waters	275,689	275,690	3,316,268
14	Custer Conservation District Addressing Cumulative Effects on the Yellowstone River	299,958	127,377	3,443,645
15	X Ruby Valley Conservation District Upper Missouri Headwaters River/Flood Hazard Map Development	300,000	300,000	3,743,645
16	Montana DEQ -Water Quality Planning Baseline Groundwater Sampling in Areas of Anticipated Oil & Gas Development	289,000	160,000	3,903,645
17	X Yellowstone Conservation District Lower Pryor Creek Stabilization and Restoration	300,000	70,000	3,973,645
18	X Montana DEQ - Abandoned Mine Lands Bureau Sheridan County 2012-2013 Reclamation Project	300,000	300,000	4,273,645
19	Montana DNRC - Water Projects Deadman's Basin Diversion Dam	300,000	145,000	4,418,645
Projects below this line are recommended only with available funding				
20	Montana DEQ - Abandoned Mine Lands Beal Mountain Mine Barren Pond & Foundation/Footing Removal	300,000	300,000	4,718,645
21	Montana Board of Oil & Gas Conservation 2013 Southern Projects	300,000	300,000	5,018,645
22	Montana Board of Oil & Gas Conservation 2013 Northeastern Projects	300,000	300,000	5,318,645
Projects below this line are not recommended for funding				
23	Cascade County Developing a Hydrogeochemistry Tool for Groundwater Management of the Madison & Other Aquifers, Central Montana	189,225	0	5,318,645
Total R&D Grants Requested/Recommended		<u>\$6,145,950</u>	<u>\$5,318,645</u>	
X Indicates that project received a planning grant				

C&A

Figure F.5

Cultural and Aesthetic Grants (C&A)					
2015 Biennium					
Rank	Grant Number	Applicant	Grant Requested	Grant Recommended	Cummulative Total
Special Project <= \$4500					
1	1704	Preservation Cascade, Inc.	\$4,500	\$4,000	\$4,000
2	1705	Signatures	4,500	4,000	8,000
3	1700	Council for the Arts	4,000	2,000	10,000
4	1701	Granite County Museum and Cultural Center	4,500	3,000	13,000
5	1706	Yellowstone Ballet Company	4,500	2,000	15,000
6	1703	Montana Storytelling Roundup	3,000	2,000	17,000
Projects below this line are not recommended for funding					
7	1702	Miles City Speakers Bureau	4,000	0	17,000
Total Special Projects < \$4500			\$29,000	\$17,000	
Special Project > \$4500					
1	1725	Montana Historical Society	\$19,500	\$12,392	29,392
2	1719	Humanities Montana	30,000	12,000	41,392
3	1729	Upper Swan Valley Historical Society Inc	17,736	10,000	51,392
4	1720	International Choral Festival	9,940	5,000	56,392
5	1713	CoMotion Dance Project	20,990	7,000	63,392
6	1710	Bozeman Symphony Society	42,322	7,000	70,392
7	1712	Clay Arts Guild of Helena	5,000	5,000	75,392
8	1716	Headwaters Dance Co.	10,000	8,000	83,392
9	1715	Friends of Chief Plenty Coups Advisory Council	9,100	5,000	88,392
10	1723	Missoula Art Museum	16,100	5,000	93,392
11	1714	Emerson Center for the Arts & Culture	10,424	5,000	98,392
12	1728	Musikanten Inc	10,775	4,000	102,392
13	1724	Missoula Writing Collaborative	13,000	4,000	106,392
14	1721	International Wildlife Media Center & Film Festival	3,500	2,000	108,392
Projects below this line are not recommended for funding					
15	1718	Holter Museum of Art	44,430	0	108,392
16	1709	Blue Slipper Theatre	9,982	0	108,392
17	1707	Arts Council of Big Sky	24,500	0	108,392
18	1711	Butte-Silver Bow Archives	16,925	0	108,392
19	1727	Montana Repertory Theatre	26,000	0	108,392
20	1717	Hockaday Museum of Art	36,400	0	108,392
21	1708	Bitter Root Cultural Heritage Trust	10,000	0	108,392
22	1722	Miles City Historic Preservation Commission	26,727	0	108,392
Total Special Projects > \$4500			\$413,351	\$91,392	
Operational Support					
SSO-1	1755	MAGDA	\$25,000	\$12,000	120,392
SSO-2	1767	Museums Association of Montana	15,000	10,000	130,392
SSO-3	1762	Montana Association of Symphony Orchestras	17,400	12,000	142,392
SSO-4	1726	Montana Performing Arts Consortium	33,400	12,000	154,392
SSO-5	1763	Montana Dance Arts Association	20,000	12,000	166,392
SSO-6	1761	Montana Arts	25,000	0	166,392
SSO-7	1764	Montana Preservation Alliance	40,000	0	166,392
1	1743	Carbon County Historical Society	30,000	12,000	178,392
2	1733	Archie Bray Foundation	50,000	12,000	190,392
3	1730	Alberta Bair Theater	20,000	12,000	202,392
4	1744	Custer County Art & Heritage Center	34,000	12,000	214,392
5	1766	Montana Shakespeare in the Parks	40,000	12,000	226,392
6	1784	World Museum of Mining	45,000	12,000	238,392
7	1779	Stillwater Historical Society	17,500	12,000	250,392
8	1739	Butte Center for the Performing Arts	30,000	12,000	262,392
9	1742	Carbon County Arts Guild & Depot Gallery	26,000	10,000	272,392
10	1774	Ravalli County Museum	25,000	10,000	282,392
11	1781	VSA Montana	15,000	10,000	292,392
12	1734	Art Mobile of Montana	30,000	12,000	304,392
13	1759	MonDak Heritage Center	35,000	11,084	315,476

Cultural and Aesthetic Grants (C&A)					
2015 Biennium					
Rank	Grant Number	Applicant	Grant Requested	Grant Recommended	Cummulative Total
14	1769	Northwest Montana Historical Society	17,000	10,000	325,476
15	1786	YMCA Writer's Voice	18,000	9,000	334,476
16	1756	Mai Wah Society	18,000	7,000	341,476
17	1741	Butte Symphony Association	20,000	9,000	350,476
18	1747	Gallatin Historical Society	15,000	7,500	357,976
19	1731	Alpine Artisans, Inc.	16,500	8,000	365,976
20	1775	Rimrock Opera Company	25,000	8,000	373,976
21	1787	Zootown Arts Community Center	20,000	9,000	382,976
22	1752	Helena Indian Alliance	10,000	5,000	387,976
23	1782	Western Heritage Center	24,000	7,000	394,976
24	1754	Intermountain Opera Association	30,000	9,000	403,976
25	1750	Great Falls Symphony	30,000	9,000	412,976
26	1751	Hamilton Players, Inc	67,466	7,000	419,976
27	1783	Whitefish Theatre Co	15,000	7,000	426,976
28	1778	Shane Lalani Center for the Arts	10,000	5,000	431,976
29	1753	Helena Symphony	40,000	5,000	436,976
30	1777	Schoolhouse History & Art Center	35,074	6,000	442,976
31	1748	Glacier Symphony and Chorale	40,000	9,000	451,976
32	1736	Beaverhead County Museum	22,500	6,000	457,976
33	1773	Queen City Ballet Company	16,000	5,000	462,976
34	1749	Grandstreet Broadwater Productions, Inc.	45,000	5,000	467,976
35	1772	Pondera History Association (PHA)	18,000	5,000	472,976
36	1737	Big Horn Arts and Craft Association	20,000	5,000	477,976
37	1770	Paris Gibson Square Museum of Art	25,000	9,000	486,976
38	1735	AWARE Inc/Growth Thru Art	40,000	5,000	491,976
39	1780	Sunburst Foundation	16,800	4,000	495,976
40	1732	Alpine Theatre Project, Inc.	20,000	3,000	498,976
41	1785	Yellowstone Art Museum	20,000	5,000	503,976
42	1745	Equinox Theatre	10,000	5,000	508,976
43	1740	Butte Citizens for Preservation and Revitalization	15,000	3,000	511,976
44	1771	Pondera Arts Council	12,000	5,000	516,976
45	1758	Missoula Cultural Council	5,000	2,000	518,976
Projects below this line are not recommended for funding					
46	1768	North Valley Music School	6,700	0	518,976
47	1757	MCT, Inc.	16,000	0	518,976
48	1765	Montana Shakespeare Co.	25,000	0	518,976
49	1738	Billings Symphony Society	25,000	0	518,976
50	1776	Rocky Mountain Ballet Theatre	20,000	0	518,976
51	1760	Montana Agricultural Center and Museums	24,000	0	518,976
52	1746	Friends of the Museum of the Plains Indian	4,000	0	518,976
Total Operational Support			\$1,430,340	\$410,584	
Capital Expenditure					
1	1789	Helena Presents/Myrna Loy Center	\$20,000	\$10,000	\$528,976
2	1788	City of Shelby Champions Park	<u>75,630</u>	<u>5,000</u>	533,976
Total Capital Expenditure			\$95,630	\$15,000	
Total C&A Grants Requested/Recommended			<u>\$1,968,321</u>	<u>\$533,976</u>	

Figure F.6

Quality School Facilities Grant Program Grants List - 2015 Biennium						
Rank	Stat. Priority	Applicant / County / Description	Total Project Cost	Grant Requested	Grant Recommended	Cumulative Total
1	1	DeSmet K-12, Missoula Asbestos abatement	102,722	\$30,000	\$30,000	\$30,000
2	1	Fairfield Elem, Teton Correct safety issues in kitchen	626,378	596,379	596,379	626,379
3	1	Montana City Elem, Jefferson Install fire sprinklers and storage tank	6,464,700	764,700	764,700	1,391,079
4	1	Powder River HS, Powder River Asbestos abatement	42,518	36,380	36,380	1,427,459
5	1	Vaughn Elem, Cascade Mitigate crawlspace moisture problems	140,227	133,227	133,227	1,560,686
6	1	Eureka Elem, Lincoln Asbestos abatement	250,759	195,593	195,593	1,756,279
7	3	Frontier Elem, Roosevelt Build technology lab	300,000	200,000	200,000	1,956,279
8	1	Wyola Elem, Big Horn Roof replacement	572,600	514,900	514,900	2,471,179
9	3	Lone Rock Elem, Ravalli Replace old gymnasium	981,875	206,375	206,375	2,677,554
10	1	Hamilton K-12, Ravalli Replace failing restroom floor	3,209,679	41,494	41,494	2,719,048
11	4	Plenty Coups HS, Big Horn Energy efficiency improvements	402,000	307,000	307,000	3,026,048
12	1	St. Ignatius K-12, Lake Roof repair	548,877	534,590	534,590	3,560,638
13	2	Simms HS, Cascade Replace kitchen exhaust hood	143,644	123,644	123,644	3,684,282
14	1	Hot Springs HS, Sanders Consolidate campus facilities	517,240	497,240	497,240	4,181,522
15	4	Grass Range Elem, Fergus Install air lock door system	46,299	45,799	45,799	4,227,321
16	4	Flathead HS, Flathead Energy efficiency improvements	1,161,193	1,010,067	1,010,067	5,237,388
17	1	Box Elder K-12, Hill Install emergency generator	310,607	310,607	310,607	5,547,995
18	1	Missoula ELE, Missoula Replace boiler and distribution system	252,000	200,000	200,000	5,747,995
19	2	Havre Elem, Hill Renovations to existing grade school	5,146,429	2,000,000	2,000,000	7,747,995
20	4	Geraldine Elem, Chouteau Complete energy upgrades	68,161	68,161	68,161	7,816,156
21	6	Plains K-12, Sanders Construct 6-classroom addition	1,434,138	1,150,000	1,150,000	8,966,156
22	2	St. Regis K-12, Mineral ADA upgrades	185,837	185,837	185,837	9,151,993
23	4	Corvallis K-12, Ravalli Replace boiler and distribution system	785,225	729,910	729,910	9,881,903
24	4	Stanford K-12, Judith Basin Replace all in-room unit ventilators	193,501	184,196	184,196	10,066,099
25	1	Darby K-12, Ravalli Construct new locker rooms and ADA upgrades	454,207	404,207	404,207	10,470,306
26	2	Nashua K-12, Valley Install ventilation system and new boilers	663,200	463,200	463,200	10,933,506
27	5	Target Range Elem, Missoula Update computers and network infrastructure	34,324	31,324	31,324	10,964,830
28	4	Ryegate K-12, Golden Valley Replace lighting and add computer outlets	11,245	9,962	9,962	10,974,792
29	4	Froid Elem & HS, Roosevelt	344,000	294,000	294,000	11,268,792

Quality School Facilities Grant Program Grants List - 2015 Biennium						
Rank	Stat. Priority	Applicant / County / Description	Total Project Cost	Grant Requested	Grant Recommended	Cumulative Total
		Replace boiler and distribution system				
Projects below this line are not recommended for funding						
30	1	Livingston Elem, Park	554,717	519,717	0	11,268,792
		Major repairs and replacement to current HVAC systems				
31	4	Lockwood Elem, Yellowstone	1,911,346	1,911,346	0	11,268,792
		Replace roofing; daylight harvesting				
32	4	Frenchtown K-12, Missoula	322,650	258,120	0	11,268,792
		Replace windows				
33	4	Miles City Elem, Custer	1,164,729	1,114,729	0	11,268,792
		Energy upgrade				
34	4	Bridger K-12, Carbon	213,876	149,713	0	11,268,792
		Replace boiler				
35	4	Forsyth Elem, Rosebud	692,722	613,807	0	11,268,792
		Energy efficiency upgrades				
36	1	Shields Valley HS, Park	1,338,213	1,338,213	0	11,268,792
		Renovations to Clyde Park HS aged bldgs				
37	1	Shields Valley Elem, Park	655,145	655,145	0	11,268,792
		Renovations to Wilsall Elem aged bldgs				
38	6	Havre HS, Hill	2,163,462	1,000,000	0	11,268,792
		Renovate current locker room areas and add training/wrestling annex				
39	1	Lewistown Elem, Fergus	114,884	112,634	0	11,268,792
		Add fire escapes to first and second floors on E. side of Junior HS				
40	4	Whitehall HS, Jefferson	318,182	268,182	0	11,268,792
		Replace heating units				
41	4	Great Falls HS, Cascade	278,293	189,016	0	11,268,792
		Energy efficiency lighting project				
42	1	Billings Elem, Yellowstone	327,501	307,923	0	11,268,792
		Repair masonry defects and deterioration at Broadwater and McKinley				
43	1	Gardiner K-12, Park	963,600	750,000	0	11,268,792
		Replace roofing system				
44	1	Arlee K12, Lake	634,520	634,520	0	11,268,792
		Replace boiler				
45	1	Fromberg K-12, Carbon	594,473	588,623	0	11,268,792
		Replacement of heating and ventilation systems				
46	2	Centerville School, Cascade	115,469	109,381	0	11,268,792
		Replace heating ventilators				
47	1	Browning HS, Glacier	489,610	460,610	0	11,268,792
		Construct a safe enclosed hallway and an arctic vestibule to SW entrance				
48	4	Gallatin Gateway K-12, Gallatin	706,786	678,240	0	11,268,792
		Energy efficiency upgrades				
49	4	Troy ELE/HS, Lincoln	1,936,608	1,846,608	0	11,268,792
		Heating, ventilation, and lighting upgrades				
50	1	Rocky Boy Elem, Hill	470,899	468,399	0	11,268,792
		Replace school boiler system				
51	1	Rocky Boy HS, Hill	327,676	325,176	0	11,268,792
		Replace existing HVAC units and remove pneumatic controls				
52	4	Browning Elem, Glacier	690,359	690,359	0	11,268,792
		Replace boiler and upgrade the controls system				
53	3	Huntley K-12, Yellowstone	1,404,540	900,000	0	11,268,792
		Addition of classrooms to existing elementary school				
54	1	Cut Bank K-12, Glacier	901,346	676,346	0	11,268,792
		Install surveillance/communication system and carded entry				
55	2	Lame Deer Elem, Rosebud	1,480,000	1,480,000	0	11,268,792

Quality School Facilities Grant Program
Grants List - 2015 Biennium

Rank	Stat. Priority	Applicant / County / Description	Total Project Cost	Grant Requested	Grant Recommended	Cumulative Total
		Renovate locker rooms and restrooms				
56	4	Turner HS, Blaine	291,267	261,267	0	11,268,792
		Replace heating system; energy upgrade				
57	1	Florence-Carlton K-12, Ravalli	757,987	677,987	0	11,268,792
		Multiple projects - roof drainage, electrical upgrades, ADA evacuation route				
58	1	Shelby Elem, Toole	128,320	79,184	0	11,268,792
		Install air conditioning unit				
59	4	Columbia Falls HS, Flathead	627,768	627,768	0	11,268,792
		Replace windows				
60	1	Winifred K-12, Fergus	840,000	840,000	0	11,268,792
		Replace boiler and upgrade heating distribution				
61	2	Butte HS, Silver Bow	802,346	386,984	0	11,268,792
		Demolish existing parking surface to create better drainage of the lot				
62	4	Shepherd HS, Yellowstone	1,696,000	296,000	0	11,268,792
		Energy efficiency lighting, cooling, and heating upgrade				
63	1	Whitefish HS, Flathead	700,000	350,000	0	11,268,792
		Construct Independent HS attached to redeveloped HS				
64	2	Richey HS, Dawson	222,925	200,000	0	11,268,792
		Install communication intercom system				
65	1	Polson HS, Lake	1,379,500	1,079,500	0	11,268,792
		Replace entire HVAC system				
66	4	Laurel Elem, Yellowstone	111,990	111,990	0	11,268,792
		Convert pneumatic temperature controls to digital				
Total QSFG Grants Requested/Recommended			<u>\$53,723,295</u>	<u>\$34,226,279</u>	<u>\$11,268,792</u>	

Glossary

A number of terms are used extensively in budgeting and appropriations. The most common terms, which are used throughout the budget analysis and in other fiscal materials, are listed and defined below.

Adjusted Base – The base budget, the level of funding authorized by the previous legislature, modified by annualization of personal services costs, inflationary or deflationary factors, changes in fixed costs, etc.

Appropriations – An authorization by law for the expenditure of funds or to acquire obligations. Types of appropriations are listed below.

Biennial – A biennial appropriation is an appropriation made in the first year of the biennium, where the appropriated amount can be spent in either year of the biennium. In HB 2, it can be split between years, but still be biennial if so indicated.

Budget Amendment – See “Budget Amendment” below.

Continuing – An appropriation that continues beyond one biennium.

Language – An appropriation made in the language of the general appropriations act for a non-specific or limited dollar amount. Language appropriations are generally used when an agency knows that it will be receiving federal or state special revenue funds but is uncertain as to the amount.

Line Item – An appropriation made for a specific purpose. A line item appropriation highlights certain appropriation and ensures that it can be separately tracked on the state accounting system.

One-time – Appropriations for a one-time purpose that are excluded from the base budget in the next biennium.

Restricted – An appropriation designated for a specific purpose or function.

Statutory – Funds appropriated in permanent law rather than a temporary bill. All statutory appropriations references are listed in 17-7-502, MCA.

Temporary – An appropriation authorized by the legislature in the general appropriations act or in a “cat and dog” bill that is valid only for the biennium.

Appropriation Transfers (also see “Supplemental Appropriation”) – The transfer of funds appropriated for the second year of the biennium to the first year if the Governor or other approving authority determines that due to an unforeseen or unanticipated emergency there are insufficient funds in the first year for the operation of an agency.

Approving Authority – The entity designated in law as having the authority to approve certain budgetary changes during the interim. The approving authorities are:

- The Governor or his/her designated representative for executive branch agencies
- The Chief Justice of the Supreme Court or his/her designated representative for the judicial branch agencies
- The Speaker of the House of Representatives for the House
- The President of the Senate for the Senate
- The appropriate standing legislative committees or designated representative for the legislative branch divisions
- The Board of Regents of Higher Education or their designated representative for the university system

Average Daily Population (ADP) – The population measure used to calculate population in a state facility. ADP is equivalent to one person served for one year.

Average Number Belonging (ANB) – The enrollment measure used for K-12 BASE aid calculations. ANB is the equivalent of one full-time student enrolled in school for the full school year.

Base – The level of funding authorized by the previous legislature for on-going spending, such as one-time appropriations and supplementals.

Base Budget – The resources needed for the operation of state government that provide for expenses of an ongoing and non-extraordinary nature in the current biennium.

Benefits – An expenditure category used to account for the provision of payments or services by the government to individuals who qualify for receipt of those payments or services, such as Medicaid benefits. Personal services benefits for state employees are included in the personal services expenditure category.

Benefits and Claims – A category of expenditure that accounts for provision of direct financial assistance or provision of services to specific individuals. Persons must meet eligibility criteria such as income limits and end of disability to receive services.

Biennial Appropriation – An appropriation that can be expended in either or both years of the biennium.

Biennium – A two-year period. For the state, this period begins July 1 of the odd-numbered years and ends June 30 of the following odd-numbered year.

Budget Amendments – Temporary authority to spend unanticipated non-general fund revenue received after the legislature adjourns. The funds must be used to provide additional services and cannot make a commitment of general fund support for the present or future.

Cat and Dog Appropriations – One-time appropriations made in bills other than the general appropriations act.

Debt Service – The payment on outstanding bonds.

Decision Package – Separate, specific adjustments to the base budget. Decision packages can be either present law adjustments or new proposals.

Earmarked Revenue – Funds from a specific source that can be spent only for designated activities.

Enterprise Funds – A fund used to account for operations financed and operated similar to private business enterprises, where the intent of the legislature is to finance or recover costs, primarily through user charges.

Federal Special Revenue – Accounts deposited in the state treasury from federal sources, to be used for the operation of state government.

Fiduciary Funds – Funds used to account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

Fiscal Note – An estimate, prepared by the Governor's Office of Budget and Program Planning, of the probable revenues and costs that will be incurred as the result of a bill or joint resolution.

Fiscal Year (FY) aka State Fiscal Year (SFY) – A 12-month accounting period beginning July 1 and ending June 30. FY 2003 refers to the fiscal year ending June 30, 2003. (Note: The federal fiscal year (FFY) is October 1 through September 30.)

Fixed Costs – Fees (fixed costs) charged to agencies for a variety of services provided by other state agencies (e.g., payroll service fees, rent, warrant writing services, and data network services).

FTE – Full-time equivalent position, or the equivalent of one person working full-time for the entire year. Also used to denote full-time equivalent students in the Montana University System for purposes of calculating state support.

Fund – A fiscal entity with revenues and expenses which are segregated for the purpose of carrying out a specific purpose or activity.

General Fund – Accounts for all governmental financial resources except those that must be accounted for in another fund.

General Fund Reversions – Unspent appropriated funds that are returned to the general fund at the close of the budget period (fiscal year).

Grants – An expenditure category used to account for the payment by a government entity to an entity who will perform a service.

HB 2 – The General Appropriations Act in which the legislature authorizes the funding for state government for the upcoming biennium. Each session, House Bill 2 is reserved for this purpose.

Indirect Cost – A cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned to a specific division or agency.

Interim – The time between regular legislative sessions.

Internal Service Funds – Funds use to account for the financing of goods and services provided by one department or agency to other departments, agencies, or governmental entities on a cost-reimbursement basis.

IRIS - The Integrated Revenue Information System (IRIS) is an automated system to administer taxes that are the responsibility of the Department of Revenue to collect.

Local Assistance – An expenditure classification primarily used to account for expenditures made for K-12 funding provided by the state to school districts.

MBARS – The Montana Budget Analysis and Reporting System, which provides all state agencies with one computerized system for budget development, maintenance and tracking, and is integrated with the State Accounting, Budget, and Human Resource System (SABHRS).

Mill – The property tax rate based on the valuation of property. A tax rate of one mill produces one dollar of taxes on each \$1,000 of assessed property value.

New Proposals – Requests (decision packages) to provide new non-mandated services, to change program services, to eliminate existing services, or to change the source of funds.

Non-budgeted Expenditures – Accounting entries for depreciation, amortization, and other financial transactions that appear as expenditures, but don't actually result in direct dispersal of funds from the state treasury.

Non-budgeted Transfer – Funds moved from one account to another in the state accounting system based upon statutory authority but not by appropriation in the General Appropriations Act (HB 2).

Off base – The accounting term “off base” refers to one-time-only spending and non-budgeted items like inventory adjustments.

Operating Expenses – All expenditures that do not meet the personal services and capital outlay classification criteria. These expenditures include, but are not limited to, professional services, supplies, rent, travel, and repair and maintenance.

Other Funds – Capital projects and fiduciary funds.

- Capital projects fund – Accounts for financial resources used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds or trust funds.
- Fiduciary funds – Trust and agency fund types used to account for assets held by state government in a trustee capacity or as an agency for individuals, private organizations, other governmental entities, or other funds.

Pay Plan – Provision by the legislature of a general adjustment to salaries and/or benefits paid to state employees. Also refers to the pay schedule listing the state salary rate for each classified position according to that position's grade and the market rate.

Personal Services – Expenditures for salaries, benefits, per diem, and other additions, such as overtime.

Personal Services Snapshot – The point in time at which personal services attributes are captured and from which the personal services budget is determined. The executive budget personal services costs are based on a "snapshot" of actual salaries for authorized FTE as they existed in a pre-determined pay period in the base year.

Present Law – The additional level of funding needed under present law to maintain operations and services at the level authorized by the previous legislature.

Present Law Adjustments – Requests (decision packages) for an adjustment in funding sufficient to allow maintenance of operations and services at the level authorized by the previous legislature (e.g., caseload, enrollment changes, and legally mandated workload).

Program – A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the government is responsible. Also, a grouping of functions or objectives that provides the basis for legislative review of agency activities for appropriations and accountability purposes.

Proprietary Funds – Enterprise or internal service funds. Statute does not require that most proprietary funds be appropriated.

- Enterprise funds – Funds that account for operations financed and operated in a manner similar to private business enterprises, and through which the intent is to provide goods or services to the public.
- Internal service funds - Funds that account for the financing of goods or services provided by one department or agency to other departments or agencies of state government.

Reporting Levels – Budget units dividing agency and program budgets into smaller units for the purpose of constructing, analyzing, and approving budgets.

SABHRS – The State Accounting, Budget, and Human Resource System that combines the state's accounting, budgeting, personnel, payroll, and asset management systems into one single system.

State Special Revenue – Accounts for money from state and other nonfederal sources that is earmarked for a particular purpose, as well as money from other non-state or nonfederal sources that is restricted by law or by the terms of an agreement.

Supplemental Appropriation – An additional appropriation made by the governing body after the budget year or biennium has started. There are two types of supplemental appropriations that can be used to increase spending authority for a fiscal year: 1) a transaction in an even-numbered year that moves spending authority from the second year of the biennium to the first year; or 2) an appropriation passed and approved by the legislature to provide authority for the odd-numbered fiscal year ending the current biennium.

Vacancy Savings – The difference between what agencies actually spend for personal services and the cost of fully funding all funded positions for the entire year.

Acronyms

AES	Agricultural Experiment Station	HSRA	Highways Special Revenue Account
ACA	Affordable Care Act	I&I	Interest and Income
ADP	Average Daily Population	IT	Information Technology
AMDD	Addictive & Mental Disorders Division	ITSD	Information Technology Services Division
ANB	Average Number Belonging (K-12 education)	LAD	Legislative Audit Division
ARM	Administrative Rules of Montana	LEPO	Legislative Environmental Policy Office
ARRA	American Recovery and Reinvestment Act	LFA	Legislative Fiscal Analyst
BASE Aid	Base Amount for School Equity Aid	LFC	Legislative Finance Committee
BPE	Board of Public Education	LFD	Legislative Fiscal Division
C&A	Cultural and Aesthetic (Trust)	LRBP	Long-Range Building Program
CC	Community Colleges	LRITP	Long-Range Information Technology Program
CES	Cooperative Extension Service	LRP	Long-Range Planning
CHE	Commissioner of Higher Education	LSD	Legislative Services Division
CHIP	Children's Health Insurance Program (also SCHIP)	MAC	Montana Arts Council
CIO	Chief Information Officer	MBARS	Montana Budgeting, Analysis, and Reporting System
COPP	Commissioner of Political Practices	MBCC	Montana Board of Crime Control
COT	College of Technology, followed by campus designation	MBMG	Montana Bureau of Mines and Geology
CPI	Consumer Price Index	MCA	Montana Code Annotated
DEQ	Department of Environmental Quality	MCHA	Montana Comprehensive Health Association
MA	Department of Military Affairs	MDC	Montana Developmental Center
DNRC	Department of Natural Resources and Conservation	MDT	Montana Department of Transportation
DOA	Department of Administration	MHP	Montana Highway Patrol
DOAg	Department of Agriculture	MHS	Montana Historical Society
DOC	Department of Commerce	MSDB	Montana School for the Deaf and Blind
DOC	Department of Corrections	MSF	Montana State Fund
DOJ	Department of Justice	MSL	Montana State Library
DOLI	Department of Labor and Industry	MSP	Montana State Prison
DOR	Department of Revenue	MSU	Montana State University, followed by campus designation, i.e. MSU – Bozeman
DOT	Department of Transportation	MUS	Montana University System
DP	Decision Package	MWP	Montana Women's Prison
DPHHS	Department of Public Health and Human Services	NP	New Proposal
ES	Extension Service	OBPP	Office of Budget and Program Planning (Governor's Office)
FCES	Forestry and Conservation Experiment Station	OCHE	Office of the Commissioner of Higher Education
FMAP	Federal Medical Assistance Percentage (Medicaid match rate)	OPI	Office of Public Instruction
FSR	Federal Special Revenue	OTO	One-Time-Only
FSTS	Fire Services Training School	PERS	Public Employees Retirement System
FTE	Full-Time Equivalent	PL	Present Law
FWP	Department of Fish, Wildlife, and Parks	PPACA	Patient Protection and Affordable Care Act (Federal Health Care Reform)
FFY	Federal Fiscal Year	PSC	Public Service Commission
FY	Fiscal Year	PSR	Public Service Regulation
FYE	Fiscal Year End	QSFP	Quality School Facilities Program
GAAP	Generally Accepted Accounting Principles	RDGP	Reclamation and Development Grant Program
GF	General Fund	RIGWA	Resource Indemnity and Groundwater Assessment Tax
GSL	Guaranteed Student Loan	RIT	Resource Indemnity Trust
GTB	Guaranteed Tax Base	RRGL	Renewable Resource Grant & Loan Program
HB	House Bill		
HAC	House Appropriations Committee		
HMK	Healthy Montana Kids		
HRD	Health Resources Division		

RTIC	Revenue & Transportation Interim Committee
SA	Statutory Appropriation
SABHRS	Statewide Accounting, Budgeting, and Human Resources System
SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users
SAO	State Auditor's Office
SAVA	State Administration & Veterans' Affairs Interim Committee
SB	Senate Bill
SBECP	State Building Energy Conservation Program
SF&C	Senate Finance and Claims Committee
SLTC	Senior & Long-Term Care Division
SOS	Secretary of State
SSR	State Special Revenue
SWPLA	Statewide Present Law Adjustment
TANF	Temporary Assistance for Needy Families
TRS	Teachers' Retirement System
TSEP	Treasure State Endowment Program
TESPRW	Treasure State Endowment Program Regional Water Systems
UM	University of Montana, followed by campus designation, i.e. UM – Missoula